CONTENTS

A.G.Buzzi

MARKETING PLANS 1982

PHILIP MORRIS HOLLAND B.V.
marketing division
POSTBUS 161
1180 AD AMSTELVEEN

2501026818

12 MONTH's MOVING TOTAL

		MARLBORO			P. STUYVESANT			PALL MALL EXPORT			CABALLERO			CAMEL			GLADSTONE		
	Trend	Trend	SOM	SOM b.m.	Trend	SOM	SOM b.m.	Trend	SOM	SOM b.m.	Trend	SOM	SOM b.m.	Trend	SOM	SOM b.m.	Trend	SOM	SOM b.m.
1980																			
maart	2.033,1	78.1	3.8	5.82	159.7	7.9	8.07	138.1	6.8	7.41	78.1	3.8	4.16	93.9	4.6	4.64	114.3	5.6	6.05
april	2.011,8	79.5	4.0	4.28	158.5	7.9	8.01	137.7	6.8	7.27	78.4	3.9	4.18	92.7	4.6	4.84	112.8	5.6	5.76
mei	1.994,5	82.9	4.2	5.76	159.5	7.9	8.22	137.3	6.9	7.32	77.9	3.9	4.10	92.3	4.6	4.55	111.9	5.6	5.73
juni	1.979,6	84.1	4.2	4.50	156.3	7.9	7.96	137.4	6.9	7.33	78.0	3.9	4.42	91.7	4.6	4.78	111.0	5.6	5.67
juli	1.962,2	86.4	4.4	5.42	155.2	7.9	8.20	137.1	7.0	7.36	78.0	4.0	4.21	90.7	4.6	4.69	109.9	5.6	5.63
augustus	1.950,1	91.5	4.7	10.46	156.2	8.0	8.98	136.4	7.0	6.88	77.9	4.0	3.91	89.5	4.6	4.65	109.1	5.6	5.34
september	1.925,8	90.2	4.7	1.07	154.7	8.0	7.72	137.0	7.1	7.84	77.5	4.0	4.44	87.8	4.6	4.42	108.3	5.6	5.87
oktober	1.876,5	90.0	4.8	4.34	147.6	7.9	7.39	132.6	7.1	7.39	77.5	4.1	4.60	85.7	4.6	4.52	105.6	5.6	5.91
november	1.830,8	91.2	5.0	5.53	145.2	7.9	8.16	131.0	7.2	7.34	76.4	4.2	4.01	82.6	4.5	4.35	103.1	5.6	5.54
december	1.796,3	94.0	5.2	4.55	145.1	8.1	7.91	132.0	7.3	7.08	75.1	4.2	4.35	32.7	4.6	4.71	101.2	5.6	5.68
1981																			
januari	1.849,8	98.7	5.3	6.33	148.7	8.0	7.71	135.2	7.3	7.06	78.1	4.2	3.90	83.9	4.5	4.12	106.0	5.7	5.79
februari	1.947,0	104.4	5.4	5.84	154.7	7.9	7.26	137.7	7.1	5.29	81.6	4.2	4.06	90.5	4.7	5.38	109.5	5.6	4.80
maart	1.897,6	100.1	5.3	4.18	150.5	7.9	7.79	135.8	7.2	9.40	79.5	4.2	4.08	87.2	4.6	3.51	106.1	5.6	5.59
april	1.883,8	102.6	5.5	6.58	149.8	7.9	8.31	135.1	7.2	7.53	78.8	4.2	4.14	85.8	4.6	4.28	104.4	5.5	5.12
mei	1.853,3	101.6	5.5	6.31	146.7	7.9	7.80	133.1	7.2	7.46	77.8	4.2	4.26	84.7	4.6	4.82	102.8	5.5	5.84
juni	1.879,6	104.6	5.6	6.36	147.1	7.8	8.18	133.5	7.1	7.57	78.0	4.1	4.49	84.9	4.5	4.86	102.2	5.4	5.22
juli	1.849,7	107.9	5.8	7.78	146.3	7.9	7.90	133.5	7.2	7.55	78.3	4.2	4.57	84.3	4.6	4.41	101.5	5.5	5.35
augustus	1.825,5	101.3	5.6	7.47	143.2	7.8	8.27	133.2	7.3	7.93	77.9	4.3	4.32	82.4	4.5	4.11	100.1	5.5	5.28
september	1.815,3	106.4	5.9	4.86	142.7	7.9	7.96	132.2	7.3	7.67	77.7	4.3	4.65	81.8	4.5	4.34	98.6	5.4	5.20
oktober	1.795,7	109.2	6.1	7.0	142.2	7.9	8.09	131.1	7.3	7.66	76.8	4.3	4.56	80.3	4.5	4.07	96.8	5.4	5.42
november	1.786,4	109.7	6.1	6.2	141.0	7.9	7.82	130.8	7.3	7.56	77.2	4.3	4.56	80.4	4.5	4.61	96.4	5.4	5.67
december	1.751,8	109.1	6.2	5.2	138.2	7.9	7.86	128.9	7.4	7.49	76.8	4.4	5.07	78.1	4.5	4.27	93.9	5.4	5.31
1982																			
januari	1.700,0	108.5	6.4	8.5	134.2	7.9	7.77	126.4	7.4	7.97	75.3	4.4	4.37	77.3	4.6	5.19	90.0	5.3	4.51

2501026819

LEO BURNETT Advertising
Amsteldijk 166, 1079 LH Amsterdam. Telefoon: 460146.

Copy

Account: PMH Merit
Object: kampagne '82

Formaat:
Obj.nr.: 44820/4-260
Datum: 14-1-82

1. Merit offers smokers alternative.

   Millions of Americans proved switch to low tar and nicotine smoking to be easy. Merit's 'Enriched Flavor'.

2. Easy switch to low tar and nicotine a fact.

   Flavor problem low tar and nicotine cigarette solved. Thanks to fundamental research in US: Merit's 'Enriched Flavor'.

3. Low tar and nicotine cigarette with flavor now feasible.

   Fundamental research in US solves flavor problem of low tar and nicotine cigarettes for good: Merit's 'Enriched Flavor'.

4. Merit's flavor comes to stay in Holland after US.

   Attitude Dutch smoker towards low tar and nicotine smoking follows US pattern. Breakthrough Merit predictable.

5. Merit makes satisfied smokers.

   In US flavortest, Merit wins from cigarettes with 60% more tar and nicotine.
   Development Holland follows US.

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GENERAL

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COUNTRY FACTS

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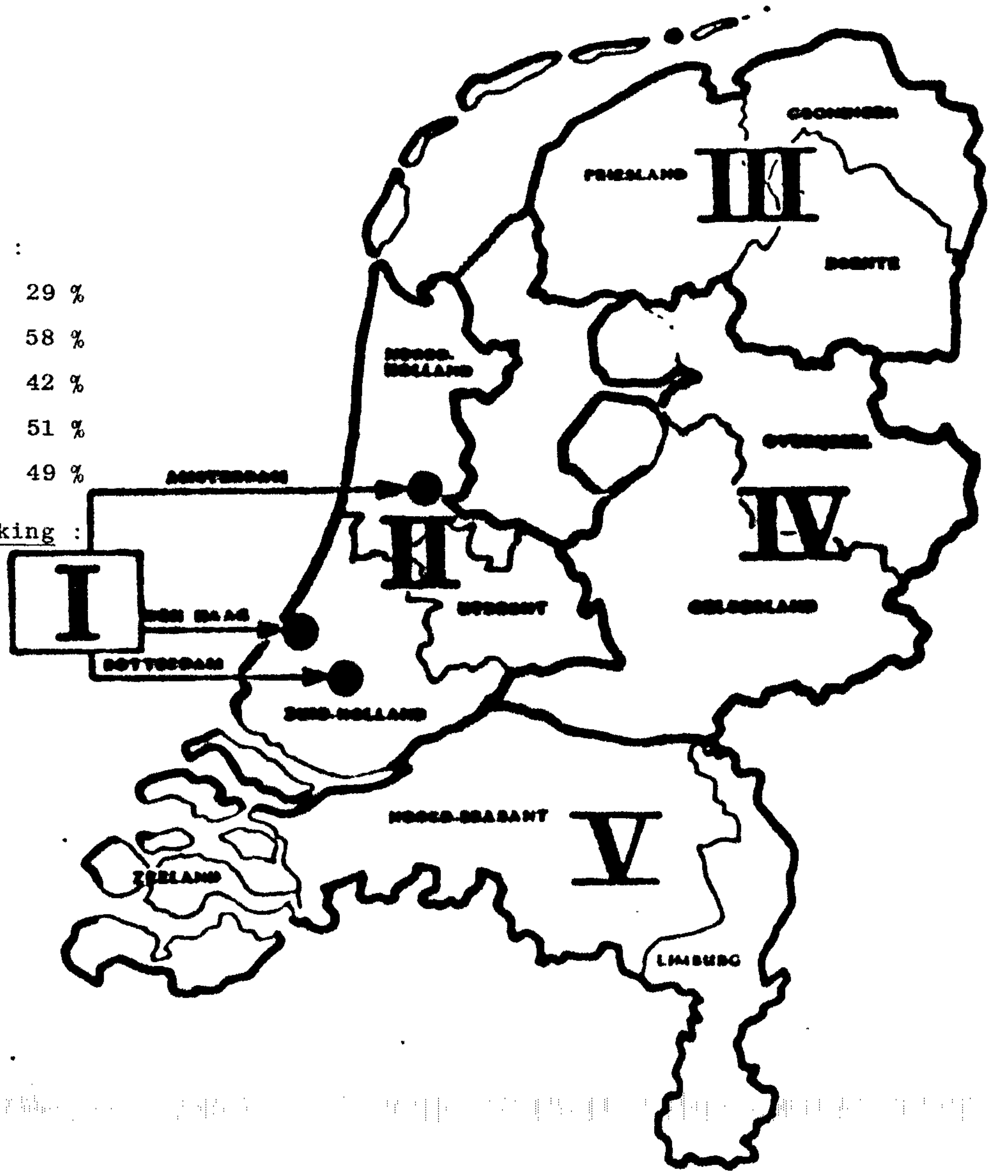
1) TOTAL POPULATION :

1976	:	13.7 mio
1977	:	13.8 mio
1978	:	13.9 mio
1979	:	14.0 mio
1980	:	14.1 mio
1981	:	14.2 mio
1982	:	14.2 mio

2) SMOKING INCIDENCE (Smokers of manufactured cigs) :

Total population	(age 15 - 64)	:	29 %
Women		:	58 %
Men		:	42 %
Age 15 - 34 years		:	51 %
Age 35 - 64 years		:	49 %

3) POPULATION DIVIDED IN DISTRICTS :		Cigarette smoking :
District I	approx. 18 %	21 %
District II	approx. 27 %	25 %
District III	approx. 11 %	8 %
District IV	approx. 19 %	20 %
District V	approx. 25 %	26 %



4) GROSS NATIONAL PRODUCT :

1975	:	US $ 107.1
1978	:	US $ 143.0
1979	:	US $ 152.8
1980	:	US $ 163.5
est.1981	:	-/- 1,5 %
est.1982	:	+ 2,2 %

MARKET FACTS

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1) SMOKING AND HEALTH :

The smoking and health situation in Holland can be summarized as follows :

- no broadcast media advertising ;
- limitations in promotions, e.g. no discounts, premiums, coupons ;
- voluntary Advertising Code, controlled by the 'Advertising Control Commission'.
- warning label (smoking is dangerous for your health. The Minister of Health) per June 1982
- 'tar' and nicotine numbers on pack (per June 1982) .

Future expectations :

- Government financed anti-smoking campaigns.
- Restrictions on advertising and/or selling points.

11) <u>TOTAL CIGARETTE MARKET REVIEW :</u>

	ACTUAL						projected
	1976	1977	1978	1979	1980	1981	1982
Domestic consumer	20.2	20.7	21.0	22.0	21.3	20.2	20.5
Border Sales	1.5	3.5	2.5	2.0	1.8	0.8	2.0
Hoarding	-	1.0	(1.0)	1.6	(1.6)		-
	21.7	25.2	22.5	25.6	21.5	21.0	22.5

5/6
7/9
10/12

111) TOTAL CIGARETTE MARKET SEGMENTATION :

By type (share of market) in % :

	ACTUAL					l.e.	projected
	1976	1977	1978	1979	1980	1981	1982
Full Flavor flt.(12 mg)	45.2	44.5	40.6	42.5	43.9	47.3	52.0
Normal LTN flt.(5 - 12 mg)	8.1	14.0	17.2	17.3	16.2	15.4	16.0
Ultra Low flt. (4 mg)	0.4	1.5	2.2	3.2	4.2	3.5	4.5
Non flt.Full Flavor	46.0	39.6	39.4	36.5	35.2	33.4	27.0
Non filter LTN	0.3	0.4	0.6	0.5	0.5	0.4	0.5

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111) TOTAL CIGARETTE MARKET SEGMENTATION :

By pack size :

	ACTUAL						projected
	1976	1977	1978	1979	1980	1981	1982
20's	7.1	10.0	9.0	11.0	12.1	15.3	22.5
25's	92.9	90.0	91.0	89.0	87.9	84.7	77.5

111) TOTAL CIGARETTE MARKET SEGMENTATION :

By price class

	ACTUAL						projected
	1976	1977	1978	1979	1980	1981	1982
Premium	6.9	9.6	9.0	11.1	10.8	12.2	17.5
Popular	75.7	73.1	75.4	73.8	74.9	73.0	65.0
Sous popular	14.2	12.1	12.4	11.6	12.2	12.6	13.5
Cheap	3.2	5.2	3.2	3.5	2.1	2.3	4.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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IV) ADVERTISING SPENDING :

	1976	s.o.v.	1977	s.o.v.	1978	s.o.v.	1979	s.o.v.	1980	s.o.v.	1981 *	s.o.v.
1) Gladstone	1.889.883	9.0	1.333.093	5.9	1.095.543	4.9	2.485.248	10.1	3.324.053	13.0	2.109.018	14.0
2) Pall Mall Export	1.186.168	5.7	835.341	3.7	1.610.259	7.2	1.049.084	4.2	1.148.308	4.5	1.368.190	9.1
3) P.Stuyvesant	2.192.177	10.5	2.135.218	9.5	2.366.609	10.5	2.495.450	10.1	1.787.822	7.0	1.231.003	8.2
4) Camel	1.317.531	6.3	1.755.432	7.8	2.468.214	10.9	2.479.502	10.0	1.507.786	5.9	1.116.412	7.4
5) Caballero	2.870.506	13.7	1.769.343	7.8	2.108.107	9.4	3.345.427	13.5	1.008.012	4.0	1.058.470	7.0
6) Mantano	806.185	3.8	1.354.257	6.0	1.158.432	5.2	1.794.172	7.3	1.265.598	5.0	955.411	6.3
7) Belinda	940.453	4.5	1.499.459	6.6	1.444.575	6.4	1.660.720	6.7	1.328.515	5.2	897.437	5.9
8) Tivoli	920.667	4.4	1.102.145	4.9	651.571	2.9	999.830	4.0	807.193	3.2	861.291	5.7
9) Roxy	2.670.167	12.7	1.411.012	6.3	1.602.135	7.1	2.027.191	8.2	2.618.817	10.3	783.722	5.2
10) R 6	-		-		-		1.314.116	5.3	1.786.911	7.0	694.750	4.6
11) Benson & Hedges	489.553	2.3	475.416	2.1	615.345	2.7	532.334	2.2	638.800	2.5	565.743	3.7
12) North State	-		1.959.348	8.7	639.025	2.9	549.689	2.2	1.493.801	5.9	551.956	3.7
13) Lucky Strike	412.951	2.0	-		-		-		-		409.619	2.7
14) Dunhill	105.817	0.5	116.031	0.5	115.739	0.5	676.929	2.7	445.448	1.7	408.607	2.7
15) Reynolds nr.1	993.270	4.7	1.127.059	5.0	-		177.162	0.7	854.628	3.4	266.936	1.8
16) Lexington	-		155.587	0.7	161.716	0.7	174.117	0.7	1.380.740	5.4	232.086	1.5
	16.795.328	80.2	17.028.741	75.5	16.037.270	71.4	21.760.971	87.9	21.396.432	83.9	13.510.651	89.5
TOTAL	20.945.925	100.0	22.540.780	100.0	22.465.057	100.0	24.752.137	100.0	25.495.108	100.0	15.090.137	100.0
MARLBORO	545.700	2.6	1.193.952	5.3	1.606.983	7.2	1.099.836	4.5	1.162.545	4.6	905.456	6.0
MERIT	-		1.682.433	7.5	1.716.277	7.6	3.500	0.02	1.963.549	7.7	962.353	6.4

* = 9 months

V) TOP 15 :

	Total Market Share %	
	1980	1981
1) Caballero	18.5	17.5
2) P.Stuyvesant filter	8.1	7.9
3) Pall Mall Export filter	7.4	7.4
4) Marlboro	5.2	6.2
5) Gladstone Mild filter	5.6	5.3
6) Camel Plain	5.4	5.0
7) Camel filter	4.5	4.5
8) Caballero filter	4.3	4.4
9) Roxy Dual filter	4.6	4.3
10) Mantano plain	3.4	3.3
11) Belinda Mild King Size filter	2.4	2.5
12) Mantano filter	1.9	2.1
13) Tivoli King Size filter	1.7	1.7
14) Gladstone Mild Menthol filter	1.4	1.3
15) P.Stuyvesant Extra Mild	1.3	1.2

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VI) TAR AND NICOTINE : TOP 15 :

(1978 figures)

	TAR (mg)	NICOTINE (mg)
1) Caballero	22.0	1.54
2) P.Stuyvesant filter	15.0	1.00
3) Pall Mall Export filter	17.0	1.03
4) Marlboro	19.5	1.10
5) Gladstone Mild filter	17.0	1.23
6) Camel plain	19.0	1.29
7) Camel filter	16.5	1.15
8) Caballero filter	14.5	1.24
9) Roxy Dual filter	7.9	0.54
10) Mantano plain	17.5	1.08
11) Belinda K.S. filter	12.5	0.78
12) Mantano filter	16.0	1.08
13) Tivoli K.S. filter	11.5	0.85
14) Gladstone Mild Menthol filter	17.5	1.20
15) P.Stuyvesant Extra Mild	5.5	0.43

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VII) TOP 25 OF THE LOWEST TAR AND NICOTINE FIGURES :

(1978 figures)

		Tar (mg)	Nicontine (mg)			Tar(mg)	Nic.(mg)
1)	P.Stuyvesant Ultra Mild	0.7	0.06	21)	John Denver K.S. filter	7.2	0.48
2)	Roxy Dual no.1	0.7	0.07	22)	Roxy Dual filter	7.9	0.54
3)	Auslese Extrem Leicht	1.8	0.13	23)	Milde Sorte Super Extra Mild	8.3	0.38
4)	Rembrandt Multivent filter	2.0	0.18	24)	Pall Mall Exp.Golden Mild filter	8.7	0.48
5)	Everest Mild	2.4	0.26	25)	Caballero lights K.S. filter	8.7	0.63
6)	P.Stuyvesant menthol	3.2	0.30	26)	Merit filter	9.1	0.64
7)	Roxy Dual Extra Light	3.5	0.23	63)	Muratti Ambassador	14.5	0.79
8)	Kelly Halvaret Menthol filter	3.6	0.31	64)	Runner filter	14.5	0.65
9)	Flair Dubbel filter	3.9	0.41	66)	Mercedes Charcoal filter	15.0	0.79
10)	Gladstone Ultra Mild	4.9	0.54	68)	Runner Menthol filter	15.0	0.76
11)	Tivoli light	5.1	0.28	72)	Kim filter	15.5	0.76
12)	Kelly Halvaret K.S. filter	5.1	0.39	87)	Philip Morris filter	17.0	0.82
13)	P.Stuyvesant Extra Mild	5.5	0.43	100)	Philip Morris International flt.	17.5	1.12
14)	Columbus K.S. filter	6.2	0.39	125)	Marlboro	19.5	1.10
15)	Atika Extra Leicht	6.5	0.50	131)	Philip Morris plain	19.5	1.18
16)	SL Superior Light filter	6.6	0.54	132)	Hunter K.S.	20.0	1.08
17)	Roxy Dual Menthol	6.7	0.35	139)	Runner plain	20.5	0.91
18)	Boule d'Or Ultra Light filter	6.8	0.63				
19)	Everest filter	6.9	0.40				
20)	Everest Menthol filter	7.0	0.37				

Official listing 1978

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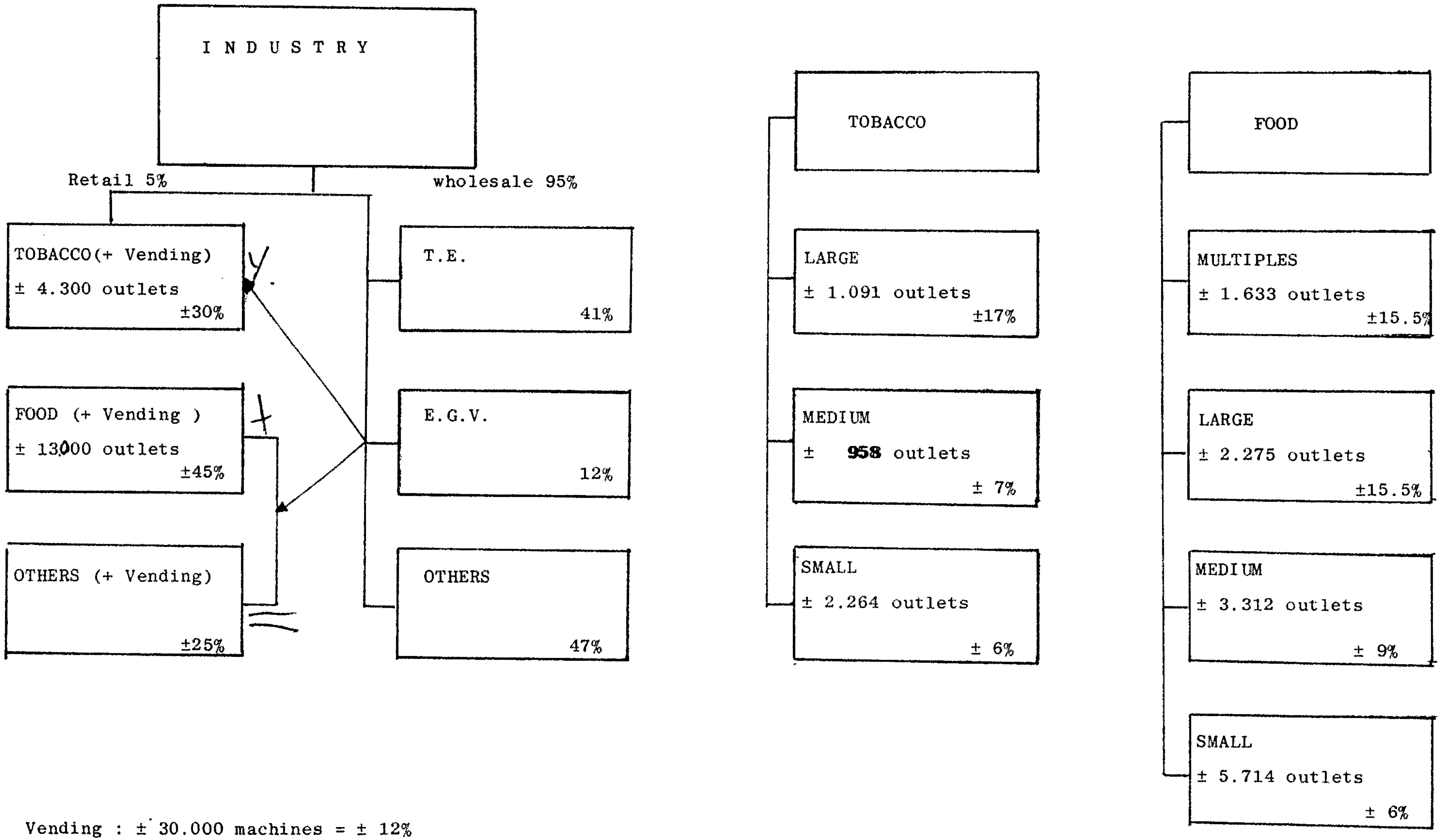
VIII . DISTRIBUTION 1981 :



Vending : ± 30.000 machines = ± 12%

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IX) DEVELOPMENT CIGARETTE DISTRIBUTION :

	FOOD		TOBACCO		OTHERS
	number of outlets	% of cigs.business	number of outlets	% of cigs.business	
1975	19.000	30	6.322	45	25
1978	15.090	38	4.845	34	28
1979	14.000	41	4.350	33	26
1980	14.000	42	4.200	32	26
l.e.1981	13.500	45	4.000	30	± 25
projected 1982	± 13.000	± 48	± 4.000	± 30	± 25

Comments :

Consumer habits cause food sector to take larger share of business.
At the same time concentration into large, mainly chain, units take place in this sector.
Tobacco and others' share expected to decrease due to consumers' switch to one stop shopping week.

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PHILIP MORRIS FACTS

X) VOLUME / SHARE REVIEW :

	ACTUAL												projected	
	1976		1977		1978		1979		1980		1981		1982	
	Vol.	Share	Vol.	Share	Vol.	Share	Vol.	Share	Vol.	Share	Vol.	Share	Vol.	Share
Marlboro	176	0.8	352	1.4	532	2.4	856	3.3	1128	5.2	1308	6.2	1950	8.7
Marlboro 100's	-	-	-	-	-	-	-	-	12	0.1	27	0.1	~~75~~ 45	0.3
Marlboro menthol	-	-	-	-	-	-	-	-	-	-	8	-	~~55~~ 30	0.2
Merit	-	-	106	0.4	69	0.3	47	0.2	50	0.2	33	0.2	~~100~~ 25	0.4
Runners	561	2.6	798	3.2	444	1.9	457	1.8	269	1.3	258	1.2	~~350~~ 315	1.7
Others	197	0.9	179	0.7	133	0.6	115	0.5	233	1.1	213	1.1	170	0.7
Project Gamma	-	-	-	-	-	-	-	-	-	-	-	-	~~100~~ 125	0.4
	934	4.3	1435	5.7	1178	5.2	1475	5.8	1692	7.9	1847	8.8	2800	12.4

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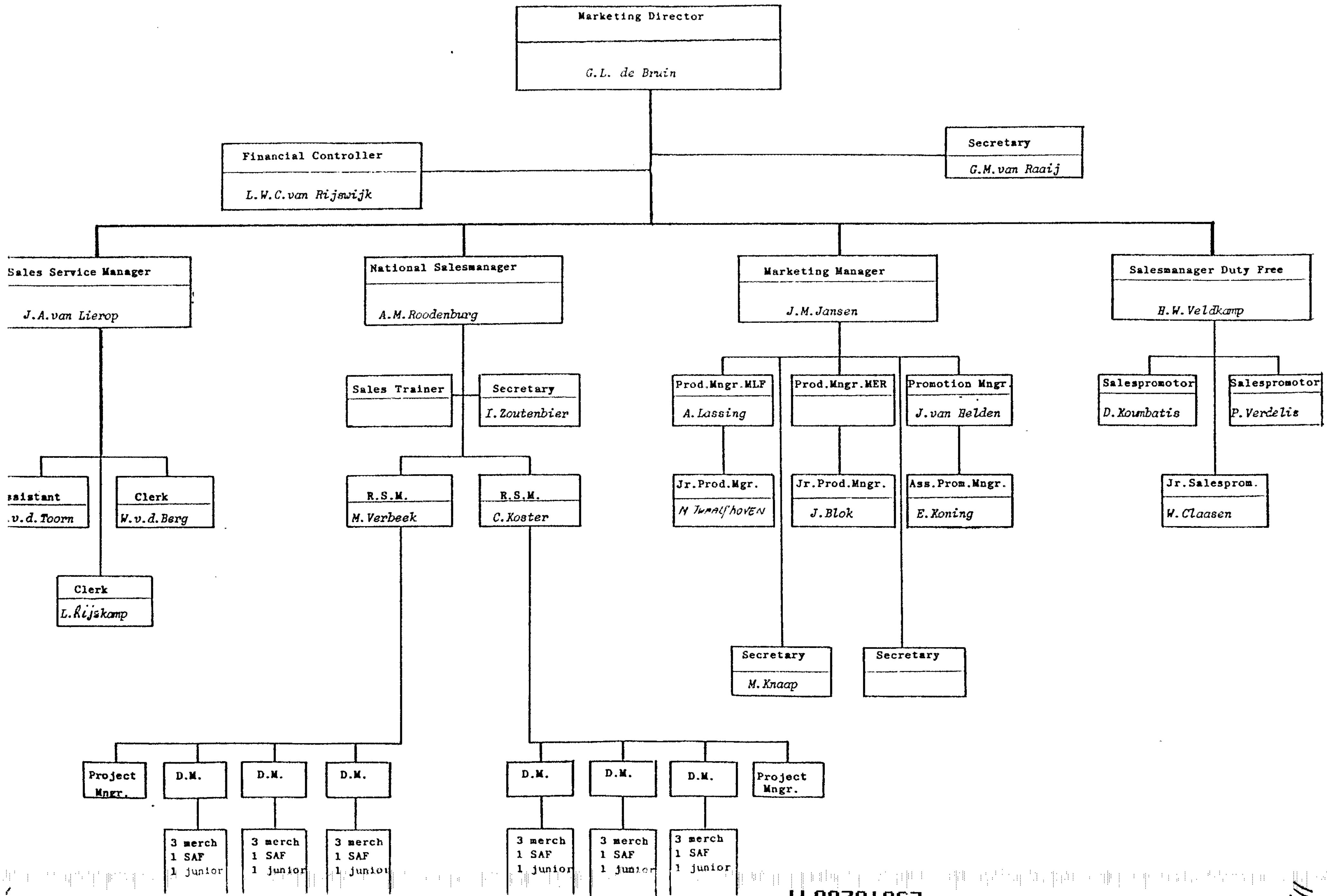
Marketing Director
G.L. de Bruin
Financial Controller
L.W.C.van Rijswijk
Secretary
G.M.van Raaij
Sales Service Manager
J.A.van Lierop
National Salesmanager
A.M.Roodenburg
Marketing Manager
J.M.Jansen
Salesmanager Duty Free
H.W.Veldkamp
ssistant
.v.d.Toorn
Clerk
W.v.d.Berg
Clerk
L.Rijskamp
Sales Trainer
Secretary
I.Zoutenbier
R.S.M.
M.Verbeek
R.S.M.
C.Koster
Project Mngr.
D.M.
D.M.
D.M.
3 merch
1 SAF
1 junior
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Project Mngr.
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Prod.Mngr.MLF
A.Lassing
Prod.Mngr.MER
Promotion Mngr.
J.van Helden
Jr.Prod.Mgr.
Jr.Prod.Mngr.
J.Blok
Ass.Prom.Mngr.
E.Koning
Secretary
M.Knaap
Secretary
Salespromotor
D.Koumbatis
Salespromotor
P.Verdelis
Jr.Salesprom.
W.Claasen

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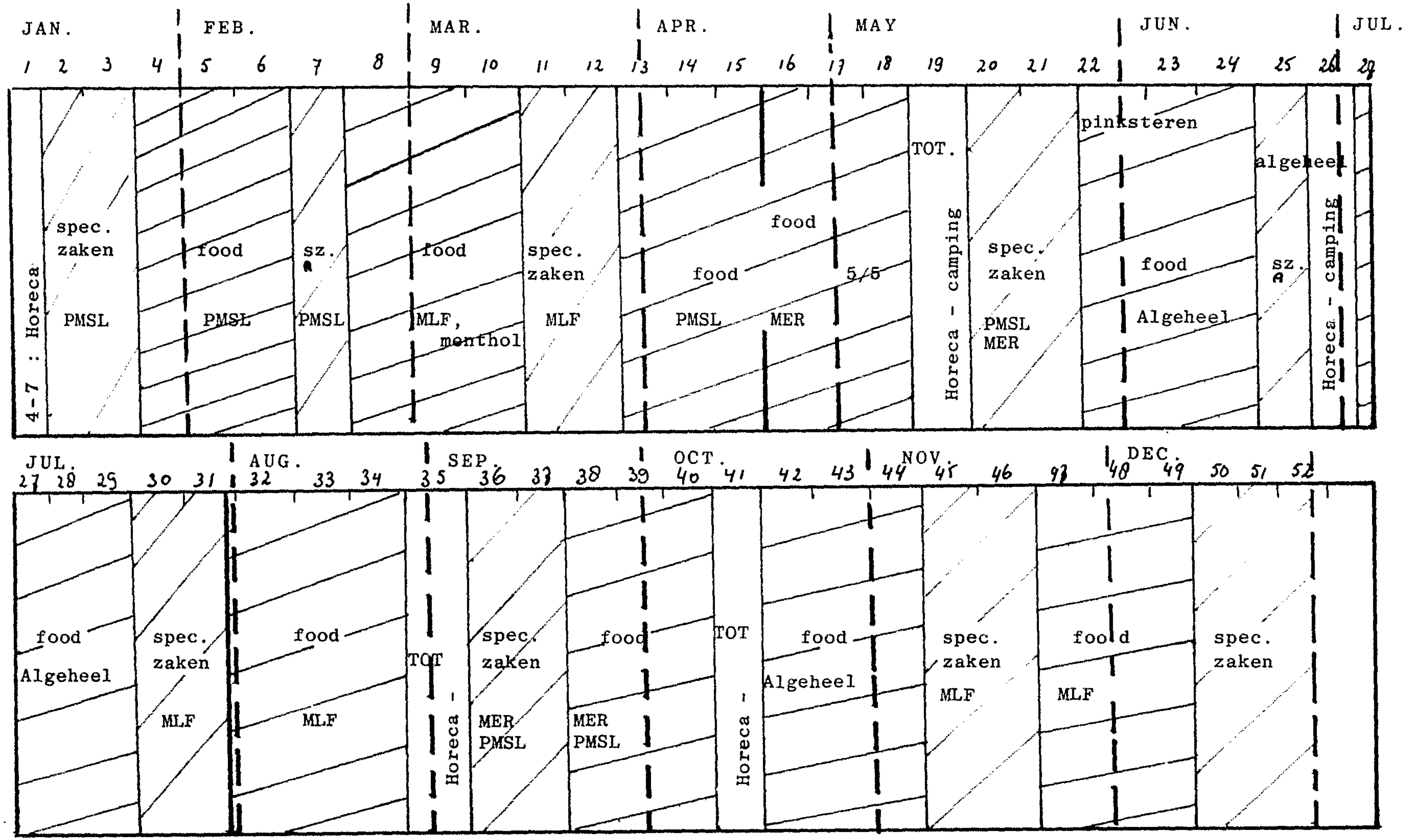
CALL-CYCLE PLANNING 1982



\\\\\ Food

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By BRAND

I. BRANDHISTORY

	1976	1977	1978	1979	1980	OB 1981	RB 1981	LE 1981	OB 1982
Marlboro Sales (mio cigs)	176	352	532	856	1.127	1.875	1.875	1.350	1.950
Change abs	75	176	180	324	271	748	748	223	600
Change relative %	74	100	51	61	32	66	66	20	44
Marlboro Market-share %	0.8	1.4	2.4	3.3	5.2	8.3	8.7	6.5	8.7
Change abs	0.4	0.6	1.0	0.9	1.9	3.1	3.5	1.3	2.2
Change relative %	100	75	71	37.5	57.6	60	67	25	34
Total Market (bio cigs)	21.734	25.161	22.487	25.592	21.555	22.500	21.500	20.900	22.500
Change relative %	- 4.1	15.7	- 10.6	13.8	- 15.8	4.4	- 0.3	- 3.0	7.7

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	1976	1977	1978	1979	1980	OB 1981	RB 1981	LE 1981	OB 1982
Share of filter segment	1.4	2.3	3.9	5.3	8.1	12.2	12.9	9.7	12.0
Change abs	0.6	0.9	1.6	1.4	2.8	3.9	4.8	1.6	2.3
Change relative %	74	64	70	36	53	48	59.3	19.8	23.7
Share of FFF segment %	1.6	2.6	5.8	8.0	12.0	17.2	17.6	13.5	16.7
Change abs	0.7	1.0	3.2	2.2	4.0	5.2	5.6	1.5	3.2
Change relative %	78	63	125	38	50	43.3	46.7	12.5	23.7
Direct Marketing expenditures x Dfl. 1.000,-	1.256	2.204	3.250	5.002	4.970	5.750	6.770	6.750	6.750
Direct Marketing expenditure rate 0/00 cig.	7.10	6.30	5.91	5.84	4.41	3.11	3.66	4.87	3.46

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Marlboro development in 1981

Philip Morris Holland BV will not make the Revised Budget for Marlboro of 1.875 mio cigs.
Latest estimate is 1.350 mio cigs.

The main reasons for not making the projection are:

- The total market decreased for the second year, to a level (20.9 bio cigs) never expected (-/- 3% vs 1980).
- The growth of the 20's segment is under expectation.
- Heavy activities of competitive brands as f.e. launches of Lucky Strike Box, Rothmans K.S. Mild, Peter Stuyvesant K.S. Gold, West, Dunhill Menthol and Caballero Box.

Inspite of these negative influences, Marlboro continues to be the fastest growing cigarette brand of the Dutch market.
Of all its direct competitors Marlboro is the only brand which increased its volume sales and its marketshare.

Marlboro is now the number 4 selling cigarette brand in the Dutch market.

	Jan/Oct. 1981	Jan/Oct. 1980	abs mio cigs.	rel. %
Marlboro	1.107,1	925,5	+181,6	+20
Peter Stuyvesant	1.380,6	1.414,9	- 34,3	-2,4
Pall Mall Exp. Flt.	1.281,6	1.292,4	- 10,8	-0,8
Camel Filter	780,8	809,1	- 28,3	-3,5
Caballero Flt.	750,8	731,2	+ 19,6	+2,7
Gladstone	933,0	986,6	- 53,6	-5,4

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II MARKETING OBJECTIVES

- To increase sales to 1,950 MM cigarettes (index 144 vs LE 1981)
- To increase share of total market to 8,7% (index 134 vs LE 1981)
- To increase share of F.F.F. segment to 16,7% (index 124 vs LE 1981)

Distribution

Maintain tobacconists at 100%
Increase foodoutlets to 100% (98% sept/oct.Nielsen '81)
Increase vending to 90%

III MARKETING STRATEGY

Product

In priciple maintain product. Implement change in product only on consumer demand.

Packaging

Maintain Flip Top Box 20's, no changes foreseen.

Price

July 1st there is projected a price increase of 25 ct.

For Marlboro the expected new price will be 20/ƒ3,--.
With the expected launches of new brands and line-extensions, and the switches to 20's of existing brands, this segment will further increase.

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Advertising

- Maintain proven sucessful international cowboy campaign.
- Support the Marlboro brand, at least at current levels in real terms.
- The focus of the media mix will be on those vehicles that are not only efficient in reaching the target group, but which we offer the opportunity to exploit the strong advertising concept, i.e. magazines, cinema, postering.
- Invest in media that are less likely to be subject to any future restrictions (outdoor media, permanent P.O.S.M.).

Promotions

- Continue with proven succesful sport events.
- Look for promotional opportunities.
- Run trade- and consumer promotions.

IV BRAND POSITIONING STATEMENT

Marlboro is a high quality, full flavor filter cigarette, packed in a Flip Top Box, and available at a slightly premium price.

The brand is clearly a superior product from U.S. origin, highly international and strongly associated with adventure, freedom and masculinity.

V a) PRIME TARGET GROUP

1. Marlboro smokers
2. Starting and current smokers of F.F. cigarettes.

People who want to have satisfaction of smoking cigarettes and to whom the image positioning appeals. In general men and women - primarily males - aged between 18-35 years, and in social classes (A,B,C)

b)PROFILE OF MARLBORO SMOKERS

Cigarettes smokers

Source: - National Smoker Study May-July 1980
- National Smoker Study May-July 1981

	1980			1981		
sex	tot.	filt.	MLF	tot.	filt.	MLF
Men	45	31	56	42	29	55
Women	55	69	44	58	71	45
Age						
15-24	25	31	58	24	30	53
25-34	27	27	33	27	28	33
35-49	27	25	9	28	25	9
50-64	21	17	1	21	17	5
Men						
15-29	17	15	43	14	13	41
30-64	28	16	13	28	16	14
Women						
15-29	24	33	35	26	34	37
30-64	31	36	9	32	37	8
Regions						
West	46	48	64	47	50	54
South	26	24	18	25	22	18
East	18	19	12	20	19	22
North	9	9	6	8	8	6

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c) PROFILE OF MARLBORO SMOKER vs PROFILE OF DIRECT COMPETITORS

Source: National Smoker Study May-July 1981

	Total Reg. Fltr.	Marlboro	Camel	Caballero	Pall Mall
Men:	28	55	42	37	34
15-29	11	41	19	16	18
30-64	17	14	23	21	16
Women:	72	45	58	63	66
15-29	34	37	46	47	45.
30-64	38	8	11	16	21
Age:					
15-34	58	86	72	71	76
35-64	42	14	28	29	24

Of all Marlboro smokers 54% are under 25 years and 86% of all Marlboro smokers are under 35 years.

Marlboro has the youngest brand image of all its direct competitors, furthermore Marlboro has the most mesculine profile.

d) Spontaneous brandawareness Marlboro

Regular Filter Smokers

	May-July '80	Feb-April '81	May-July '81
Men			
15-29 yr.	48%	54%	57%
30-64 yr.	27%	23%	32%
Women			
15-29 yr.	39%	42%	42%
30-64 yr.	16%	20%	19%

Spontaneous brandawareness amongst regular filter smokers increased from 30 to 33% (May-July '81).
This level of awareness is rather low, but with prompting awareness it jumps to 90%.

Its awareness levels improve among younger smokers.

Brandswitching

Source: NSS - August 1980 thru July 1981

Of all regular cigarette smokers 8% switched their main brand in the past year. 11% of the regular filter smokers switched and 3% of the regular plain smokers switched.

Marlboro has the highest incidence of switching of all major filter brands. Of all regular filter smokers switching, 11% switched to Marlboro in the past year.
The Camel family and Pall Mall Export are the principal source of switchers for Marlboro, in particular Camel Filter.
Furthermore Marlboro attracts smokers from the Caballero family.

VI COMMUNICATION OBJECTIVES

- To reach the target group in the most cost efficient way.
- To increase the spontaneous brand awareness, from 33% to 40%.
- To consolidate brand image with current users of the brand, and increase and/or further strengthen brand image awareness with non-Marlboro smokers.
- To stimulate trial within target group.

VII CREATIVE STRATEGY

Magazines (+ newspapers)

To meet the above objectives, the strategy is:

- to be consistent with the cowboy campaign.
- to use full colour, at least full page, bleed advertisements.
- to exploit as much as possible the unlimited material to achieve higher interest and better visibility.
- to use L(ong) : M(edium) : C(lose-up) = 1 : 2 : 2.
- to continue with existing copy:
  . main brand claim:
  Avontuur bestaat nog. Proef't (Adventure still exists. Taste it.)
  . pay-off:
  De Amerikaanse filtersigaret met het rijke aroma. (The American filter cigarette with the rich flavour).

- to use consumer price per pack in the newspaper ads, and in some magazines ads.
- to use Marlboro Regular and Marlboro 100's soft pack.

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Outdoor advertising

- To use the red rooftop and Marlboro logo (and where possible cowboy to increase image) on all outdoor billboards for high visibility and recognition.

Trade press

- To inform the trade about development/performance Marlboro:
  . fastest growing filter cigarette brand
  . greater demand for Marlboro
  . no Marlboro = no sales = no profit
- To support merchandiser.

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VIII MEDIA TARGET GROUP

All men and women smoking full flavor cigarettes and/or shag in the age group 18-35 years, weighted men:women = 100:50

IX MEDIA OBJECTIVES

To obtain:

- a nett reach within the prime target group of 90% with an average o.t.s. of 25.
- national coverage.
- extra weight and more concentrated reach during Marlboro events f.e. Grand Prix; Country Music Contests.

X MEDIA STRATEGY

Magazines:

- to build high reach and o.t.s. nationally within prime target group.
- waves rather than contineous scheduling to obtain rather large share of voice within short periods.
- to select media not only on the basis of quantitative performance (cost per thousand) but also on their qualitative characteristics (e.g. selectivity).
- to use special ad pages to make sure medium reach = advertising reach.
- to chose for frequency with the titels rather than special ads.

Newspapers

- to support special events (link main brand awareness and product awareness).
- to communicate new price.

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Cinema:

To gain extra reach and o.t.s. within prime target group,

Outdoor postering

General: - to gain extra reach and o.t.s. within prime target group during month of August.

Permanent advertising

Outdoor: - to seek for key places (porta panels)
- to increase number of illuminated signs (within PM bonus + plan)
- to substitute old signs

Indoor: - to increase number of illuminated signs (within PM bonus + plan)
- to substitute visuals in signs-theme advertising
- to start with new functional illuminated signs at tobacconists.

In general the two most important type of media for Marlboro will be magazines and cinema; newspapers and postering will be more or less supporting element

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1982

Subject:

Replaces schedule of:

Number:

LEO BURNETT Advertising Amsterdam

MEDIA	JANUARY				FEBRUARY				MARCH					APRIL				MAY				JUNE					JULY				AUGUST				SEPTEMBER					OCTOBER				NOVEMBER				DECEMBER				
MONDAY	4	11	18	25	1	8	15	22	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	6	13	20	27
SATURD.	9	16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1
WEEK NR.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
Cinema																																																				
Dailies:																																																				
Menthol																																																				
Regular																																																				
Magazines:																																																				
Trade																																																				
Outdoor:																																																				
Portapanels																																																				
Postering																																																				
Promotions:																																																				
Disco																																																				
Grand Prix																																																				
Zandvoort																																																				
Renault 5 Turbo																																																				
Motorspeedway indoor																																																				
Motorspeedway outdoor																																																				
IJsselmeerpolders 1982																																																				
Country & Music																																																				
Marlboro Country & Music Road Show																																																				
Horse events:																																																				
C.H.I.O. Rotterdam																																																				
C.S.I. Geesteren																																																				
C.S.I. Zuidlaren																																																				
Fairs																																																				

APPROVED:

DATE:

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XI MEDIA BUDGET

Newspapers	Dfl.	300.000,--
Magazines	"	935.000,--
Trade Press	"	65.000,--
Cinema	"	415.000,--
Postering	"	125.000,--
Porta Panels	"	50.000,--
Media Prod.	"	125.000,--
Total	Dfl.	2.015.000,--

Client: Philip Morris Holland
Subject: Ma[illegible]ro [illegible]aal
Replaces schedule of: 3 dec.1981

Date: [illegible]
Number: [illegible]

LEO BURNETT Advertising
Amsterdam

MEDIA	MONTH	JANUARY				FEBRUARY				MARCH					APRIL				MAY				JUNE					JULY				AUGUST				SEPTEMBER					OCTOBER				NOVEMBER				DECEMBER				
	MONDAY	4	11	18	25	1	8	15	22	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	6	13	20	27
	SATURD.	9	16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1
MEDIA	WEEK NR.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
MAGAZINES:																																																					
Weekend							5				9			7					2			3			4**							1			6				4		7				2								
Rits			1**					3				6			2						9					7**				4				$\boxed{8}$			2			7						4					5		
Panorama				5					1		3				6					9										2			4				7			6			2										
Nieuwe Revu					2					4		1			7					3											6				2			9					6			1							
Troskompas									6		2			9				3					7										1			4			2			3					5						
Veronica					5					7		3			1				6			4												2			1					4			9								
Voetbal Int.									2				6																4						3									7							5		
HP Magazine								5								4						1											2								6					7							
Vrij Nederland					5								2									6												7					4							3							
Autovisie															9										6					3				4				1														5	
AD HOC: Stop			5**																																																		
Marken Herenromans												--	--	x	--	--													--	--	x	--	--													--	--	x	--	--			
Stadion Lichtkrant		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
DAGBLADEN:																																																					
Menthol					x	x	x-	x	x	x																																											
Regular																																	x	x	x	x	x	x															
VAKBLADEN:																																																					
Food Magazine					x																												x										x										
Levensm.markt					x																												x										x										
Distrifood					x																												x										x										
EGV Nieuws						x																												x										x									
Tabaktueel						x																												x										x									
BIOSKOOP		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
PORTAPANELS		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
AFFICHERING																																--	--	--	--																		

○ = Achterpagina
** = Gratis herplaatsing
□ = 2/1 pagina

27

APPROVED:
DATE:

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XII PROMOTION OBJECTIVES

Consecutive promotions

<u>Consumer promotions</u>

- to stimulate trial
- to increase brand/product awareness
- to get the consumer to participate in activities created around Marlboro

<u>Fairs</u>

- to increase distribution within the outlets we normally don't cover
- to increase sales

<u>Sport promotion</u>

- to achieve additional media coverage in a cost efficient way
- to increase brand awareness
- to support brand image
- to sample within target group

<u>Trade promotion</u>

- to generate display / p.o.s.m.
- to increase distribution / number of facings
- to prevent out of stock

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XIII CONSUMER PROMOTIONS

In-store promotions

From March 1st thru March 12th there will be a sales drive in the foodoutlets with the Marlboro brands in the major.

The objectives for this food-cycle will be:

- putting on the pack-racks fc. Marlboro packdispensers
- placing Marlboro p.o.s.m. as fc. windowstickering, doorstickers shelf-materials.
- adjusting number of facings Marlboro brands related to its share of market.
- loading Marlboro brands.

From March 15th thru March 26th the tobacconists will be called upon with the Marlboro brands in the major.

The objectives will be:

- placing Marlboro counter displays
- putting on Marlboro p.o.s.m, as window displays, doorstickers, outdoor signs and window stickerings.
- loading Marlboro brands.

In the week prior to Whitsunday and Whitmonday (holidays) we will call upon the seasonal outlets.

Objectives:

- targetsetting (target agreements) for these outlets
- selling in Marlboro brands
- putting on p.o.s.m. / indoor and outdoor

From June 21st thru June 25th there will be a call-cycle for all PMH brands in the tobacconists. Main objectives prevent o.o.s. during holiday weeks and putting p.o.s.m.

From June 28th thru July 23rd a sales-drive in the foodoutlets to prevent o.o.s.

July 26th thru August 27th the Grand Prix Sales Drive.

In this period the objectives are:

- placing maximum number of counterdisplays at tobacconists and floordisplays in the foodoutlets
- selling in Marlboro brands as well to retail as to wholesale (push-pull strategy).
- getting a maximum of exposure at the stores for Marlboro.

(When we don't have a Grand Prix in Holland in 1982, our activity could be linked with 10 years Marlboro on the Dutch market).

From November 8th thru December 10th, the Marlboro Giftpack activity in the foodoutlets and at tobacconists.

Objectives are:

- placing maximum number of counterdisplay and floordisplays
- selling in Marlboro brands
- placing promotional material

Outdoor promotions

Marlboro Disco Show

In a national survey under regular disco visitors by one of the leading music magazines, the Marlboro Disco Show is the number one disco show.

After three years of performing in discotheques nationally, we will change our strategy.

The objectives in 1982 are:

- to extend our reach with the Marlboro Disco Show
- to perform at least 100 times a year and get at least 100.000 direct contacts.

To obtain these objectives we will perform in discotheque (nationally) only 50 times. Only in those discotheques which can hold more than 500 people. Furthermore we will perform at location near key touristcenters as: Valkenburg and the islands Texel and Terschelling.
For these Marlboro Disco Show nights we will provide the organisor with announcement posters and newspaper advertisement.
During these shows we will hand out:

- stickers
- T-shirts
- scarfs

To reach more people at the same time, we will co-operate with a theater production agency. We include the Marlboro Disco Show at major events as f.e. anniversaries of international- and national companies.
In this way we will get:

- more direct contacts
- fc. advertisement in programs
- sampling facilities
- promotion opportunities
- guest-stars performing with the Marlboro Disco Show

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Grand Prix Promotion:

PMH will continue the sponsoring of the Zandvoor race-track. If there will be a Grand Prix, we will have a Grand Prix promotion. The promotion which includes the following:

- a Grand Prix Press Conference
- a Formula One replica tour with a promotion team, during the period of the Grand Prix sales drive.
- Grand Prix Party

On the Grand Prix day:

- Hospitality services as: Pitbox and a hospitality tent
- Selling units at the entrance roads of the track (3x)
- Parade by the PM sales force
- Promotion team activities as:
    + sampling cigarettes at the entrances
    + advertising at the presentation ceremony of the Formula One drivers
    + being at the dummy grid with the Marlboro Starting grid panels.

Replica Promotion:

Throughout the year the Marlboro Mc Laren showcar will be put into display at high traffic places as f.e. shopping areas, gas-stations and dealer car shows. PMH provide stickers for customers and pictures + press release for newspaper announcements.

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Marlboro Country Music Promotion

Which is the best country music band of Holland in 1982?

Under the name " National Marlboro Country Music Festival 1982" we will seek via six area-heats, two semi-finals and a national final at Scheveningen on August 6th 1982 the best country music band.

This contest will be announced via radio (Tros Country by Gerard de Vries) announcement posters, ads in country magazines and free publicity in newspapers.

The winners will be performing in the International Country Music Festival from Scheveningen Circus on August 7th and 8th.

IJsselmeerpolders 1982

During the months May-June and July 1982, there will be many activities in the "N.O. Polder" at the celebration of its "drooglegging". Eight main sponsors will receive all rights at all events organized. The sponsor logo will be on all publicity materials, signs at the rinks of the events. Several events will be televised.

PMH will look into possibilities to sponsor this celebration with Marlboro (and other brands).

The following events are planned:

+ bicycling by proffessionals
+ surf marathon
+ boat event (Zuiderzee spel)
+ horse show (N.C.R.V. Spring Trofee)
+ an American week, celebration of 200 years trade relations Holland - U.S.A., which includes a rodeo, country and western music festival, western style city.

Alternative promotion idea for Marlboro

The Marlboro Country & Western Road Show

In co-operation with J.v.d. Ende Promotion, we will create a roadshow which will tour in Holland. The show exists of:

- Marlboro Horse-shoe game
- Texas Bull
- Marlboro Stage Coach
- Marlboro Western Store (for promotions for more than one day)
- Marlboro Promotion Team

A possible tie-in with the country music promotion will be possible.
More and more promotional events take place during the summer months
With a Marlboro Country & Western Road Show, we could stimulate organizations Country & Western weekends.

Sampling

At events sponosored by Marlboro the sales force /promotion team will sample cigarettes.

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XIV FAIRS

I	Horecava	- Amsterdam
II	Horesca	- Zuidlaren
III	Zeeuwse Horeca Beurs	- Goes
IV	B.B.B.	- Maastricht

Also for 1982 a Marlboro stand will be at the national catering fair, the Horecava in Amsterdam and at the regional fairs Horesca in Zuidlaren (North of Holland), the Zeeuwse Horeca Beurs in Goes (South of Holland), and the B.B.B. in Maastricht (South-East of Holland).

At these fairs PM merchandisers will seek sales prospects to sell directly and indirectly to expand distribution for PMH brands, at outlets we normally don't cover.

XV SPORTSPONSORING AND PROMOTIONS

Track Zandvoort

At this stage the continuation of Marlboro sponsoring the race-track is rather uncertain due to the vague plans with the circuit for the coming years.
As it looks now there won't be a Dutch Grand Prix anymore, and that was in 1981 the only televised event.
Since we do have a contract for 1982, we'll keep it in our plans for 1982, until a decision is made. For Racing Team Holland counts the same reason, since it is part of the contract with the Cenav.

Renault 5 Turbo

In 1982 a team of 5 Dutch Renault 5 Turbo's will be competing in the European Championship Renaut 5 Turbo.
The drivers will be all coming from International Formula classes (f.e. Jan Lammers, Huub Rothengatter, Fred Krab, Boy Haye, John Bolten).
Next to Formula One Grand Prix Racing, this Renault 5 Turbo Class was the best covered by the press.
Our objective is to have Marlboro indentification on all drivers and on all cars in 1982.

Motor speedway/indoor

In February there will be an International Indoor Speedway Show in Ahoy in Rotterdam.

Marlboro will be one of the two main sponsors of this event, which will attract ± 15.000 spectators over three nights.

For the sponsoring we will get in return:

- Marlboro logo on all publicity material relating to this event. (f.e. newspapers ads, billboard outside the Ahoy - leaflets, f.c. advertisement in programm).
- Marlboro signs along the rink.
- Selling units in the sport-palace.
- Free tickets for PMH and clients.
- Possible TV coverage by Veronica TV.

Motor speedway/outdoor

Continuation of sponsoring the speedway at Rijswijk.

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HORSE EVENTS

C.H.I.O. Rotterdam

For 1982 we shall continue sponsoring for Marlboro:

- dominating exposure
- exlusivity for cigarettes
- Marlboro signs in the rink
- Marlboro on leaflets and posters/stickers.
- Western store in "stroo-dorp".
- Marlboro Stage Coach in display.
- Sampling team.

C.S.I. - Geesteren

For 1982 we shall continue sponsoring this horse-event:

- dominating exposure.
- exclusivity for cigarettes.
- Marlboro logo on all announcement stickers + posters.
- Western store in stroo-dorp.
- Marlboro Stage Coach in display.
- Sampling team.
- Marlboro signs in the rink.

C.S.I. - C.D.I. - Zuidlaren

As of 1980 we started sponsoring this very successful indoor horse-show.

For 1982 we shall continue sponsoring this horse-show:

- dominating exposure.
- Marlboro signs in the rink
- Western store in stroo-dorp.
- Marlboro Stage Coach in display.
- Sampling team.
- Selling unit with excl. sales of PMH brands.

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XVI MARKETING BUDGET

Marlboro Regular

Advertising:

Newspapers	Dfl.	300.000,--
Magazines	"	935.000,--
Trade press	"	65.000,--
Sampling Sales	"	30.000,--
Sampling Marketing	"	50.000,--
Transit & Outdoor	"	440.000,--
P.O.S.M.	"	450.000,--
Cinema	"	415.000,--
Media prod.	"	125.000,--
Premiums	"	400.000,--
General	"	120.000,--

Total advertising Dfl. 3.330.000,--

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		Dfl. 3.330.000,--
Promotions:		
Consumer	Dfl. 150.000,--	
Disco	" 450.000,--	
Zandvoort	" 150.000,--	
		Dfl. 750.000,--
Fairs		Dfl. 75.000,--
Sponsoring:		
Racing:		
Track Zandvoort	Dfl. 125.000,--	
Renault	" 75.000,--	
		Dfl. 200.000,--
Horse-shows:		
CHIO-Rotterdam	Dfl. 50.000,--	
CSI-Geesteren	" 30.000,--	
CSI-Zuidlaren	" 17.500,--	
		Dfl. 97.500,--
Speedway:		
Ahoy Indoor Gala	Dfl. 25.000,--	
Speedway Rijswijk	" 15.000,--	
		Dfl. 40.000,--
200 jaar IJsselmeerpolders 1982		Dfl. 100.000,--
Marlboro Country Music		Dfl. 75.000,--
General		Dfl. 112.500,--
Sales		
Loc. Promotions	Dfl. 50.000,--	
Bonus	" 440.000,--	
Spec. Allow.	" 750.000,--	
		Dfl. 1.240.000,--
PM Bonus + Plan		Dfl. 730.000,--
TOTAL DIRECT MARKETING EXPENDITURES		Dfl. 6.750.000,--

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XVII MARKETING RESEARCH

- Product test, whenever a change in product is considered.

XVIII MARLBORO 100's

	1980	OB 1981	RB 1981	LE 1981	OB 1982
Marlboro 100's Sales (mio cigs)	12.1	40	40	30	75
Change abs	-	27.9	27.9	17.9	45
Change relative %	-	231	231	14.8	150
Marlboro 100's market share %	0.06	0.2	0.2	0.1	0.3
Change abs	-	0.14	0.14	0.04	0.2
Change relative %	-	233	233	67	200
Marlboro 100's Share Filter Segment	0.1	0.3	0.3	0.2	0.5
Change abs	-	0.2	0.2	0.1	0.3
Change relative %	-	200	200	100	150
Marlboro 100's share long segment	1.0	3.2	3.3	2.6	5.9
Change abs	-	2.2	2.1	1.6	3.3
Change relative %	-	220	230	160	127
Direct Marketing Expenditures x Dfl. 1.000,--	269.3	500	500	461	500
Direct Marketing Expenditures Rate 0/00 cig.	22.25	12.30	12.30	15.37	6.67

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Marketing Objectives

- to increase sales to 75 mm cigarettes (index 250 vs LE 1981)
- to increase share of total market to 0,3% (index 200 vs LE 1981)
- to increase share of long segment to 5.9% (index 250 vs LE 1981)

Distribution

Increase tobacconists to 100%.

Increase distribution in foodoutlets to 50%.

Increase distribution for Marlboro 100's in sundry outlets

Source: Nielsen	Nov-Dec '80	July-Aug '81	Target '82
Food	24%	30%	50%
Tobacco	96%	96%	100%

Marketing Strategy

Product:

In principle maintain product. Implement change in product only on consumer demand.

Packaging:

Soft pack 20's with red rooftop (if possible we are considering to make a switch to flip top box 20's with red rooftop).

Price:

July 1st 1982 there will be a price increase, the new price will be 20/ƒ3,25.

Advertising:

Use the succesful international cowboy campaign.

Tie in with Marlboro Regular campaigh.

Promotions:

Run trade promotions combined with Marlboro Regular.

Tie in with some of the Marlboro Regular promotions.

Brandpositioning:

Marlboro 100's is a "extra long" full flavour filter cigarette, packed in a softpack 20 cigarettes, and available at a premium price 20/ƒ3,--.

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Target Group

characteristics "long smokers".

* Age/Sex	Total	15-24 yrs.	25-35 yrs.	35-64 yrs.
men	10 %	17 %	17 %	66 %
women	90 %	22 %	20 %	58 %

Urbanisation	
3 metro areas	20%
large cities	12%
small towns	45%
rural areas	23%

Region	
west	43%
south	25%
east	15%
north	17%

Target Group Marlboro 100's

All men and women, age below 40 years, currently smoking or starting to smoke long cigarettes. People who live primarily in the cities in the western part of Holland.
The expectation is that the switches to Marlboro 100's will primarily come from brands as Peter Stuyvesant, Rothmans International and St. Moritz.

Communication objectives

- to increase brandawareness Marlboro 100's.
- to reach target group in most cost efficient way.
- to stimulate trial within target group.

* Source: National Smoker Study May-July 1981

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Creative strategy

Magazines:

- 1 exclusive Marlboro 100's ad
- to tie in with the Marlboro Regular campaign

Trade press:

- to inform trade about Marlboro 100's (combined advertisement with Marlboro regular)
- to support merchandiser

Promotions

Instore promotions:

During all call cycles for Marlboro Regular Box, Marlboro 100's will be taken along.

Outdoor promotions:

Horse events	:Tie in with the Marlboro Regular promotion at horse events.
Fairs	:Tie in with Marlboro Regular promotion at trade fairs.

Furthermore, PMH will be looking into possible promotion opportunities for Marlboro 100's.

Flowchart
1982

Client: Philip Morris Holland
Subject: Marlboro 100's
Replaces schedule of: -

Date: 8 december 1981
Number: 1

LEO BURNETT Advertising Amsterdam.

MONTH	JANUARY				FEBRUARY				MARCH					APRIL				MAY				JUNE					JULY				AUGUST				SEPTEMBER					OCTOBER				NOVEMBER				DECEMBER				
MONDAY	4	11	18	25	1	8	15	22	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	6	13	20	27
SATURD.	9	16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1
MEDIA / WEEK NR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
MAGAZINES:																																																				
Weekend										9			7																					6						7												
Rits											6									9					7														7													
Panorama														6					9																	7			6													
Nieuwe Revu														7																6							9					6										
Troskompas								6					9									7																														
Veronica									7									6																										9								
Voetbal Intern.												6																															7									
HP Magazine																																								6					7							
Vrij Nederland																					6													7																		
Autovisie														9										6																												

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APPROVED:
DATE

Marlboro 100's Budget

Advertising

Magazines	Dfl. 100.000,--	
Trade press	" 25.000,--	
Sampling Sales	" 20.000,--	
Sampling Marketing	" 12.000,--	
P.O.S.M.	" 50.000,--	
Media prod.	" 10.000,--	
Premiums	" 50.000,--	
		Dfl. 267.000,--

Promotion Activity

Fairs	Dfl. 10.000,--	
Horse events	" 10.000,--	
General	" 10.000,--	
		Dfl. 30.000,--

Sales

Bonus	Dfl. 17.500,--	
Spec. Allow.	" 120.000,--	
		Dfl. 137.500,--
PM Bonus+ plan		Dfl. 65.500,--
TOTAL DIRECT MARKETING EXPENDITURES		Dfl. 500.000,--

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XIX MARLBORO MENTHOL

	RB 1981	LE 1981	OB 1982
Marlboro Menthol Sales x mio cigs.	25	10	55
Change abs	-	-	45
Change relative %	-	-	450
Share of total market (%)	0.1	0.1	0.2
Change abs	-	-	0.1
Change relative %	-	-	100
Share of menthol segment %	2.0	0.8	4.1
Change abs	-	-	3.3
Change relative %	-	-	412
Direct Marketing expenditures x Dfl. 1.000,-	500	402,5	500
Direct Marketing expenditure rate 0/00 cig.	20	35	9.09

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Marlboro Menthol

The line extension Marlboro Menthol was succesfully launched in July/August 1981. To disturb this introduction Dunhill Menthol was launched 2 weeks prior to the Marlboro Menthol launch.

The development of both brands since the introduction period:

Ex-factory sales:

	Marlboro Menthol	Dunhill Menthol
July	3.533	1.332
August	1.742	1.706
September	832	756
October	1.090	1.130
Total	7.197 mio cigs.	4.925 mio cigs.

Distribution (ex Nielsen Sept - Oct '81)
After the introduction period Marlboro Menthol had a national distribution of 51%.
For the Foodoutlets a distribution level of 22%, and in the Tobacconists 87%.

The Menthol Segment

The menthol segment is a rather stable segment at 6% of the total market. The segment is primarily a two brandsegment, Gladstone Menthol with currently 33% and Belinda menthol with 32% share of segment are dominating.

Marketing Objectives

- to increase sales to 55 mio cigs (index +450 vs LE 1981)
- to increase share of total market from 0,1% to 0,2% (index +100 vs LE 1981)
- to increase share of menthol segment to 4,1% (index 412,5% vs LE 1981)

Distribution objectives

Tobacconists : to increase to 100%

Foodoutlets : to increase at least 50%

Increase Marlboro Menthol distribution in sundry outlets.

Marketing Strategy

Product:

In principle maintain product. Implement change in product only on consumer demand.

Packaging:

Maintain Flip Top Box 20's with green colour, no changes foreseen.

Price:

The price for Marlboro Menthol is 20/ƒ2,75. July 1st 1982, there will be a general price increase. The new price for Marlboro Menthol will be the same as Marlboro Regular.

Distribution:

To obtain the set objectives, we will buy shelf-space for Marlboro Menthol within major Foodchains. Furthermore we will run call-cycle(s) with Marlboro Menthol also in the major position.

Advertising:

Use theme advertising with green colour support in newspapers. To support the brand we will use ads in some national- and som regional newspapers (Nielsen areas II,III,IV).

Brandpositioning statement

Marlboro Menthol is a full flavor filter menthol cigarette packed in a Flip Top Box 20's and available at a slightly premium price 20/ƒ2,75.

Target Group

Profile Menthol Smokers

	Reg. Fltr.	Total Menthol
Sex		
Women	72%	76%
Men	28%	14%
Age		
15-34 years	58%	43%
35-64 years	42%	57%
Region		
West	51%	41%
South	23%	13%
East	18%	26%
North	8%	20%

In general the profile of the Menthol smoker is decidedly female (86% of all menthol smokers) with 51% being over 35 years. Only a small proportion (11%) of Menthol smokers are among the youngest age group 15-24 years.

Menthol brands are smoked the most in the East and North of Holland.

Our target group for Marlboro Menthol:

- all menthol smokers, men and women, starting and currently smoking menthol cigarettes. Age 18-49 years primarily living in Nielsen III and IV.

The expectation is that Marlboro Menthol smokers are coming primarily from the two major Menthol brands.

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Communication objectives

- to obtain brandawareness for Marlboro Menthol, target 20%.
- to reach target group in the most cost efficient way
- to stimulate trial within target group.

Creative Strategy

Newspapers

To obtain a spontaneous awareness of 20%, we will run six advertisements-rounds in the newspapers. A theme advertisement with a packshot and green colour support to increase visibility and o.t.s.

Trade press:

- to inform the trade about Marlboro Menthol and its development
- to support merchandiser

Promotions

Instore:

Run trade promotions combined with the Marlboro Regular and 100's.

Outdoor:

Tie in with Marlboro Regular promotions as f.e. trade fairs and C.S.I. Zuidlaren, C.S.I. Geesteren which are held in the menthol areas.

1982

OBJEKT : Marlboro Menthol '82 NUMMER: 1
VERVANGT SCHEMA D.D.:

LEO BURNETT Advertising Amsterdam

MEDIA	JANUARI				FEBRUAR				MAART				
MAANDAG	4	11	18	25	1	8	15	22	1	8	15	22	29
ZATERDAG	9	16	23	30	6	13	20	27	6	13	20	27	3
WEEK NR.	1	2	3	4	5	6	7	8	9	10	11	12	13
Dagbladen													
Algemeen Dagblad				x	x	x	x	x	x				
Arnhemse Crt./Tubantia				x	x	x	x	x	x				
Drents Groningse Pers				x	x	x	x	x	x				
Gelderland Komb.				x	x	x	x	x	x				
Kluwer Dagblad Komb.				x	x	x	x	x	x				
Leeuwarder Crt.				x	x	x	x	x	x				
Nwe.Apeldoornse Crt.Komb.				x	x	x	x	x	x				
Nwsblad v.h.Noorden				x	x	x	x	x	x				
Telegraaf sec.				x	x	x	x	x	x				
Twentse Crt./Overijssels													
Dagblad				x	x	x	x	x	x				
Utrechts Nieuwsblad				x	x	x	x	x	x				
Zwolse Crt.				x	x	x	x	x	x				

MEDIA	APRIL				MEI				JUNI				
MAANDAG	5	12	19	26	3	10	17	24	31	7	14	21	28
ZATERDAG	10	17	24	1	8	15	22	29	5	12	19	26	3
WEEK NR.	14	15	16	17	18	19	20	21	22	23	24	25	26
Dagbladen													
Algemeen Dagblad													
Arnhemse Crt./Tubantia													
Drents Groningse Pers													
Gelderland Komb.													
Kluwer Dagblad Komb.													
Leeuwarder Crt.													
Nwe.Apeldoornse Crt.Komb.													
Nwsblad v.h.Noorden													
Telegraaf sec.													
Twentse Crt./Overijssels													
Dagblad													
Utrechts Nieuwsblad													
Zwolse Crt.													

MEDIA	JULI				AUGUSTUS				SEPTEMBER				
MAANDAG	5	12	19	26	2	9	16	23	30	6	13	20	27
ZATERDAG	10	17	24	31	7	14	21	28	4	11	18	25	2
WEEK NR.	27	28	29	30	31	32	33	34	35	36	37	38	39
Dagbladen													
Algemeen Dagblad													
Arnhemse Crt./Tubantia													
Drents Groningse Pers													
Gelderland Komb.													
Kluwer Dagblad Komb.													
Leeuwarder Crt.													
Nwe.Apeldoornse Crt.Komb.													
Nwsblad v.h.Noorden													
Telegraaf sec.													
Twentse Crt./Overijssels													
Dagblad													
Utrechts Nieuwsblad													
Zwolse Crt.													

MEDIA	OKTOBER				NOVEMBER				DECEMBER				
MAANDAG	4	11	18	25	1	8	15	22	29	6	13	20	2
ZATERDAG	9	16	23	30	6	13	20	27	4	11	18	25	
WEEK NR.	40	41	42	43	44	45	46	47	48	49	50	51	5
Dagbladen													
Algemeen Dagblad													
Arnhemse Crt./Tubantia													
Drents Groningse Pers													
Gelderland Komb.													
Kluwer Dagblad Komb.													
Leeuwarder Crt.													
Nwe.Apeldoornse Crt.Komb.													
Nwsblad v.h.Noorden													
Telegraaf sec.													
Twentse Crt./Overijssels													
Dagblad													
Utrechts Nieuwsblad													
Zwolse Crt.													

NB : Alle plaatsingen
1 kol.250 + steun-
kleur groen (I.M.)

Plaatsingen op
donderdag..

APPROVED:
DATE:

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MARLBORO MENTHOL BUDGET

Advertising

Newspapers	Dfl. 175.000,--	
Trade press	" 25.000,--	
Sampling Sales	" 10.000,--	
Sampling Marketing	" 5.000,--	
P.O.S.M.	" 50.000,--	
Media Prod.	" 10.000,--	
Premiums	" 30.000,--	
		Dfl. 305.000,--

Promo activities

Fairs	Dfl. 5.000,--	
Horse promotions	" 5.000,--	
		Dfl. 10.000,--
PM Bonus+ Plan		Dfl. 47.500,--
Sales: Bonus	Dfl. 12.500 ,--	
Allowances	" 125.000,--	
		Dfl. 137.500,--
TOTAL DIRECT MARKETING EXPENDITURES		Dfl. 500.000,--

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TOTAL DIRECT MARKETING BUDGET

	MLF	MLG	MFM	Total
Advertising				
Newspapers	300	-	175	475
Magazines	935	100	-	1073
Trade Press	65	25	25	115
Sampling Sales	30	20	10	60
Sampling Marketing	50	12	5	67
Transit & Outdoor	440	-	-	440
Cinema	425	-	-	415
P.O.S.M.	450	50	50	550
Media Production	125	10	10	145
Premiums	400	50	30	480
General	120	-	-	120
Promo-Activity				
Sponsoring fees	587,5	20	10	617,5
Disco	450	-	-	450
Cons. Promotion	150	-	-	150
Zandvoort	150	-	-	150
General promotions	112.5	10	-	122,5
Local promotions	50	-	-	50
Special Allowance	750	120	125	995
Bonus	440	17,5	12,5	470
PM Bonus + Plan	730	65,5	47,5	843
TOTAL DIRECT MARKETING	6.750	500	500	7.750

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BRANDHISTORY

	1977	1978	1979	1980	OB 1981	RB 1981	LE 1981	OB 1982
Volume	106	71	47	50	125	75	33	100
Index v/s previous year	-	67	66	107	250	150	66	303
Share total market	0.4	0.3	0.2	0.2	0.6	0.4	0.2	0.5
Index v/s previous year	-	75	67	100	300	200	100	250
Share filter	0.7	0.5	0.3	0.4	0.8	0.5	0.2	0.6
Index v/s previous year	-	71	60	133	200	125	50	300
Share LTN	2.5	1.6	1.0	1.2	2.5	2.1	0.8	2.2
Index v/s previous year	-	64	63	120	208	175	67	275
Direct Marketing Expenditures	2930	2650	3280	3150	3500	3250	3080	2500
Direct Marketing Expenditures 000/sig.	27.64	37.62	61.74	63.01	28.00	43.00	93.33	25.00

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I MERIT DEVELOPMENT IN 1981

The latest estimate for Merit is 33 mio v/s RB 75 mio.

This negative development was mainly caused ~~cost~~ by the following:

- the total market decreased to a unexpected level of 20.9 sig. which is 3% below 1980.
- the LTN segment decreased with 1.7%.
- the expected printing of the figures on the pack and the warning label for 1981 has been postponed to March 1982.
- price cuttings on main LTN brands such as: Pall Mall Golden Mild, R 6 and Ernte 23.

In view of the expected number printing on the pack as from March 1st, 1982, it is expected that the LTN segment will grow again to a level of 16 % share of the total cigarette market.

II MARKETING OBJECTIVES

Sales:

- to increase sales to 100 mio cigarettes, index 303 vs LE 1981
- to increase share of total market to 0,5%
- to increase share of LTN segment to 2.2%.

Distribution:

- maintain tobacconists at 100%.
- increase food outlets to 80%.
- increase distribution in sundry outlets.

III MARKETING STRATEGY

Product:

No changes in product/ blend is foreseen during this planning year.

Pack:

- International 20's flip top box
- during 1981 we have printed 'tar' and nicotine figures on the back side of the pack.
- in 1982 we will print the warning label on the pack.

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Price:

- 20/Dfl. 2,75.

Advertising:

During 1981 a U.S. success campaign has been used.
As a follow-up of the 1981 campaign we intend to use an adaption of the Italian print campaign.

Promotions:

- Sampling, switch and sell by the salesforce during sales drives and local promotions;
- Special Merit sampling teams will operate during promotional events;
- International Backgammon promotions will be continued;
- Bridge promotions will be continued;
- Bowling promotions will be continued;
- High quality sampling during theatre productions;
- Trade and consumer promotions will be runned in combination with the above mentioned promotions.

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IV. BRAND POSITIONING STATEMENT:

Merit is a high quality LTN filter cigarette offering taste, far in excess of the numbers, thanks to the (PM) Enriched Flavor procedure.

Merit is packed in a flip top box and available at a slightly premium price : 20/dfl.2,75.
The brand is a superior product from U.S.origin and highly international.

V. TARGET GROUP:

1) Merit smokers ;
2) LTN smokers who are not satisfied with the taste(-level) of the brand they are smoking ;
3) FF(F) smokers who want to smoke lower numbers without giving up taste.

Consumer survey :

	May/July 1980	May/July 1981
Smokers of manufactured cigs.	29.9%	28.5%

	Smokers of manufactured cigarettes filter May/July 1980	filter May/July 1981
Full flavor	70.7%	69.6%
LTN	18.0%	16.2%
Ultra Low	7.9%	6.5%
Not specified	3.4%	7.7%

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	Smokers profile of LTN cigarettes May/July 1980	May/July 1981
Sex :		
Men	22%	18%
Women	78%	82%
Age :		
15 - 24 years	19%	14%
25 - 34 years	30%	30%
35 - 64 years	51%	56%
Region :		
West	46%	49%
South	24%	20%
East	20%	20%
North	10%	10%

	brand awareness Merit May/July 1980	May/July 1981
spontaneously	2%	4%
total awareness	52%	55%
new brand	8%	7%

	Profile of filter smokers with Merit awareness : May/July 1980	May/July 1981
Sex :		
Men	33%	24%
Women	67%	76%
Age :		
15 - 34 years	65%	68%
35 - 64 years	35%	32%
Region :		
West	50%	53%
South	23%	20%
North	10%	8%
East	17%	18%

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VI COMMUNICATION OBJECTIVES :

- To reach target group in most cost efficient way ;
- To increase brand awareness amongst filter smokers to :

  25% spontaneous
  85% aided

	NSS.'79	'80	'81
spontaneous	2%	3%	4%
aided	30%	52%	55%

- To increase claim awareness ;
- To stimulate trial within target group.

VII CREATIVE STRATEGY :

Magazines :

Make use of :
. 1/1 page full colour ads
. Italian lay-out
. different headings
. claim : " Full taste , low in tar and nicotine".
. 'tar' and nicotine figures

Trade press :

- inform trade about Merit developments;
- communicate Merit's Enriched Flavor results.

Permanent outdoor and indoor advertising :

- by means of pack visual or 3 colomn logo ;
- and using the Merit claim : "Merit : full taste, low in tar and nicotine"

VIII MEDIA TARGET GROUP :

Men / Women , age between 25 - 50 years old, social classes A-C ; smoking at least 6 filter cigarettes a day FFF and/or LTN.

IX MEDIA OBJECTIVES :

- nett reach within the target group of 80% ;
- average o.t.s. of 15;
- only national advertising ;

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X MEDIA STRATEGY:

To use magazines:

- heavily advertising at the time of the warning label and 'tar' and nicotine figures printing on the pack.
- use waves to obtain high share of voice during short periods and promotions.
- build a high reach and o.t.s. nationally within target group.

To use Trade Press:

- involve trade in promotions.
- support merchandiser during the call-cycles.

To use permanent outdoor advertising:

We consider to substitute the Marlboro illuminated signs by Merit logo and pack for 3 months thus trying to increase brand awareness.

XI PROMOTIONS:

Sampling :

A) Sampling activities will be carried out by :

- salesforce during sales drives and local promotions ;
- special Merit teams during major bridge- , backgammon- and bowling events.

B) High quality sampling will be carried out during three theatre performances.

C) We consider to put our product Merit in a gift parcel to be offered by 'Felicitas' to 30.000 newly married couples. In this parcel are all kinds of articles : food, non-food and luxury ones.

Objectives :
. the hostess explains the product u.s.p.
. the hostess samples the product,
. the hostess gives a Merit reminder.

D) During the 2nd quarter of 1982, we will carry out a special sampling programm aiming at consumer visiting the major shopping centers.

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Backgammon :

Backgammon develops favourably in Holland and the sport will continue to grow in 1982.

Merit Backgammon activities :

- support Dutch Backgammon Federation and Federation Backgammon Promotion,
- support local clubs by supplying Merit Backgammon equipment,
- sponsoring local Backgammon tournaments,
- organize Dutch Merit Backgammon Championship 1982 on April 2-3-4 , in cooperation with " Stichting Scheveningse Bad".

Next to that the Merit backgammon demonstration team will carry out a backgammon campingtour in cooperation with several large recreation parks and large campings. This team will also give demonstration during local promotions.

Main objectives :

- explanation of the u.s.p.,
- sampling
- pursuasion of the consumer by giving a package of Merit in return of his own brand.

Bowling :

During 1981 Merit has covered 16 (out of 110) major bowling centres in Holland with indoor and outdoor advertising such as wellcome signs and Merit logo signs on the panel at the end of the bowling alley. In return Merit cigarettes has to be available in the centres. Moreover we contribute with Merit scoring sheets, Merit ashtrays.

During 1982 Merit will cover another 4 major bowling centres.

On top of that , Merit will continue sponsoring Bowling teams, playing in the national league. The Merit bowling team will give instructions to starting bowlers.

Bridge:

- Whether we continue the sponsoring of a bridge tournament is depending on the results of this year's tournament in terms of participants and press coverage.
- Merit will sponsor the Masterpoints competition of the Dutch Bridge Federation, including the Masterpoint tournament in 1982.
- Local Bridge clubs will be supported by supplying Merit Bridge equipment (playing cards, boards, placemats, scoring sheets).
- Merit equipment will be used during local Bridge tournaments.

Theatre:

Continuation of sponsoring 150 performances of Sam Sam productions and Theater van de Lach productions.

Objectives :
- Merit has a key role in the play.
- ads in the programm and the posters.
- high quality sampling before the performance and during the intermission.

Willem Ruis Show:

In 1981 we started sponsoring the "Willem Ruis Show". Willem Ruis is a well known TV personality.

Objectives :
- u.s.p. Merit announcement during the show and a carton of Merit are given away as prizes to contest winners.
- in this contest people can also win a Merit backgammon board.
- sampling before the show and during the intermission.

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X. MARKETING BUDGET 1982

Advertising				
Magazines Campaign			ƒ 1.110.000,--	
Trade Press			ƒ 25.000,--	
T & O			ƒ 25.000,--	
P.O.S.M.			ƒ 100.000,--	
Production Cost			ƒ 25.000,--	
Premiums			ƒ 100.000,--	
General			ƒ 10.000,--	
Total				ƒ 1.395.000,--
Promotional Activities				
Sampling Marketing			ƒ 75.000,--	
Sampling Sales			ƒ 25.000,--	
Bridge	Masterpoints	ƒ 7.000,--		
	Tournament	ƒ 15.000,--	ƒ 22.000,--	
Backgammon	Demonstrations	ƒ 20.000,--		
	Tournament	ƒ 30.000,--		
	Div.	ƒ 10.000,--	ƒ 10.000,--	
Bowling	Outdoor Adv.	ƒ 100.000,--		
	Demonstrations	ƒ 30.000,--		
	Teams	ƒ 10.000,--	ƒ 140.000,--	
Consumer Promotion			ƒ 170.000,--	
Local Promotion			ƒ 50.000,--	
General			ƒ 13.000,--	
Promotional Act. Total				ƒ 555.000,--
Bonus Plus Plan			ƒ 250.000,--	
Sales Allowances			ƒ 285.000,--	
Allowances Bonus			ƒ 15.000,--	
Total Direct Marketing Expenditure				ƒ 2.500.000,--

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PHILIP MORRIS SUPERLIGHTS :

1) Reason for introduction :

The Ultra Low segment showed hardly any progress during the past three years and stabilized at 3.5% share of the total Dutch cigarette market in 1981.

Ultra Low Segment :	Volume(mio)	Share of total %
1979	819	3.2
1980	907	4.2
1981	753	3.5

Because of the fact, however, that the Dutch cigarette industry will have to print health warnings and tar/nic numbers on the pack as from March 1st, 1982, it is expected that the Ultra Low Segment will grow to a level of 1.013 mio, being 4.5% share of the market in 1982.

Viewing the expected consumer-awareness for number/printing on the pack, it is our plan to penetrate into the Ultra Low segment with PMSL, supported by a distinctive brandpositioning.

II) Market Objectives :

- to reach a sales volume of 100 mio
- to reach a share of 0,4% of the total market and 10% of the Ultra Low segment,
- to obtain 100% distribution at Tobacconists
- to obtain at least 50% Food distribution.

III) Product Mix :

Brand name	:	Philip Morris Superlights
Packaging	:	Flip Top Box 20's (as Belgium)
Numbers	:	4 mg tar / 0.4 mg nicotine

Warning and numbers will be printed on the pack as from the launch date.

IV) Launch strategy :

Philip Morris Superlights will be launched nationally in tobacco and food with heavy sales- and advertising support both during the introduction period and the months thereafter.
A selected part of the trade will be invited to a special event on the launching date to get informed about our ambitious plans for Philip Morris Superlights.

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V) Positioning :

Philip Morris Superlights will be positioned as a high quality, Ultra Low filter cigarette with tar and nicotine numbers of 4 mg, respectively 0.4 mg and with a taste above expectations.

VI) Target Group :

1) All LTN and Ultra Low smokers who are not satisfied with the brand and/or taste they are smoking now.
2) All Full Flavor Filter smokers who want to lower on numbers.

VII) Advertising :

We will use adaptions of the French 'Space' campaign in printed media during the introduction period and this campaign will be continued during 1982.

VIII) Communications objectives :

- to obtain brand awareness for Philip Morris Superlights
- to reach target group in the most cost efficient way
- to position Philip Morris Superlights as an Ultra Low Filter cigarette
- to stimulate brandswitching to Philip Morris Superlights within target group
- to stimulate trail purchase amongst all smokers.

IX) Creative Strategy :

In order to meet the communication objectives the creative strategy is :

- to use the 'Space' theme in all visuals
- to communicate the tar/nicotine numbers in all visuals
- to use full color, full page, bleed ads
- to use the space-campaign and numbers on all p.o.s.m.

X) Media Target Group :

All men and women, above 25, smoking filter cigarettes (weighted men : women = 30 : 70).

XI) Media Objectives :

- nett reach within target group of 95%
- an average o.t.s. of 35
- nationally.

XII) Media Strategy :

In order to meet the communication objectives the media strategy is :

- to use newspapers	:	. to support the introduction nationally
- to use magazines	:	. to build high reach and frequently nationally within the target group.
		. to establish brand image awareness by communicating the 'space' theme.
- to use outdoor postering	:	. to gain extra reach and frequently within the target group.
- to use trade press	:	. to announce the launch of Philip Morris Superlights
		. to inform the trade about the developments of Philip Morris Superlights during the year.
- to use p.o.s.m.	:	. to stimulate trial purchase . to support the brand image

XIII) Promotions :

Sampling activities will be carried out by sampling ladies in all main shopping areas. For this purpose we will also use a robot so as to gain more attention during the sampling event and - at the same time - to emphasize the 'space' theme of the advertising campaign.

IX) Marketing Budget 1982 :

Advertising :

Newspapers	dfl.	750.000		
Magazines		1.250.000		
Production Costs		75.000		
P.O.S.M.		500.000		
Premiums		100.000		
Sampling		50.000		
General		255.000		
Sub Total			dfl.	2.980.000
Promotional Activities				75.000
Promotional Allowances				945.000
Total Direct Marketing Expenditures			dfl.	4.000.000

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OTHER BRANDS :

1) HISTORIC REVIEW

	1976	1977	1978	1979	1980	1981	Projected 1982
Runner filter	398	627	318	332	184	184	290
Runner menthol	56	54	49	48	37	32	30
Runner plain	107	117	77	77	47	42	30
Total Runner	561	798	444	457	268	258	350
Other Brands	197	180	133	115	233	213	170
Total All Others	758	978	577	572	501	471	520

II) RUNNER :

In the past from total Runner sales approximately 60% was sold along the German border. The fluctuating figures of mainly Runner filter, are entirely due to the general situation along this border. That's why these border-sales are entirely opportunistic : evaporating or exploding depending on circumstances beyond Philip Morris Holland's control. (exchange rates, consumerprice fluctuations in Holland and Germany, border security checks.

Seeing the price-increase in Germany as of June 1st,1982 for this year it is expected that Runner filter sales will again increase to a level of approx. 300 million.
All spending is directed at promoting Runner along the border.
For the domestic market a slow decline is accepted.

Objectives :

- to sell 350 MM cigarettes
- to maintain the share of border business of 10%
- to optimize the brand's life cycle decline on the domestic market.

Strategy :

Inland :

- follow a 'milking' policy
- prevent out of stock and keep distribution, being 'minor' in every call-cycle.
- protect facings by means of simple p.o.p. and merchandising efforts.

Border :

- two special border salesmen to exploit volume opportunities to a maximum.
- to maintain 100% distribution in all cigarettes selling outlets.
- stimulate sales to consumers by means of sampling and selling with give-aways.
- run special sales promotions
- develop tailor-made P.O.P.material.

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III) OTHER BRANDS :

Hunter King Size
Kim filter
Muratti Ambassador
Mercedes Charcoal filter
Philip Morris filter
Philip Morris plain
Philip Morris International
Licensee sales

Objectives :

- to sell 170 MM cigarettes

Strategy :

- to keep the brands available to wholesalers and direct accounts.

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DOMESTIC

SALES / DISTRIBUTION - MARLBORO REDS :

Objectives.

A. Sales volume : - To increase our volume to 1.950 mio cigarettes. (vs L.E. 1.350 mio cigarettes in 1981, index ± 145)

B. Distribution : - Tobacconists:
To maintain 100% distribution.

- Food:
To increase the distribution from ± 95% up to 100%. (Philip Morris Holland retail inventory)
Maximize number of facings for Marlboro Reds at least 3 facings nationwide and in Nielsen I en II 4 facings in every packrack, depending on regional marketshares and packrack capacity per outlet.

- Vending machines:
To continue deals for Marlboro and expand to 11.500.
To expand the distribution to 90%.
To optimize the number of machines in which Marlboro is sold spontaneously.

- Sundry outlets:
To increase the distribution for Marlboro in high traffic places as:

1. Petrol stations
2. Railway stations
3. Newspaperstalls
4. Motels / Hotels / Restaurants

- prevent o.o.s. Marlboro in all distribution channels.

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SALES / DISTRIBUTION - MARLBORO 100's :
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Objectives.

A. Sales volume : - To increase our volume to 75 mio cigarettes.
(vs. L.E. ± 30 mio cigarettes in 1981, index ± 150%)

B. Distribution : - Tobacconistst:
To increase distribution from ± 90% up to 100% distribution level.

- Food:
To increase present distribution level from 65% to 75% level with as main goal to create an additional facing for Marlboro to prevent out of stock.

- Sundry outlets:
To create distribution based on volume package deals combined with Marlboro Reds in the following outlets :

1. Petrol stations
2. Railway stations
3. Giftshops / Newspaperstalls
4. Motels / Hotels / Roadside restaurants

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SALES / DISTRIBUTION - MARLBORO MENTHOL :

Objectives.

A. Sales volume : - To increase our volume to 55 mio cigarettes. (vs L.E. 10 mio cigarettes in 1981, index ± 450%)

B. Distribution : - Tobacconists:
To increase distribution from ± 90% up to 100% distribution level.

- Food:
To increase distribution from ± 65% up to 75%.

- Sundry outlets:
To create distribution based on volume package deals combined with Marlboro Reds in the following outlets :

1. Petrol stations
2. Railway stations
3. Giftshops / Newspaperstalls
4. Motels / Hotels / Roadside restaurants

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SALES / DISTRIBUTION - MERIT :

Objectives.

A. Sales volume : - To increase our volume to 100 mio cigarettes.
(vs L.E. 32.5 mio cigarettes in 1981, index ± 200%)

B. Distribution : - Tobacconists:
To increase our distribution from ± 95% up to 100%

- Food:
To increase our present distribution figure of ± 70% up to 85%.

- Sundry outlets:
To create distribution based on volume package deals combined with Marlboro's in the following outlets:

1. Petrol stations
2. Railway stations
3. Giftshops / Newspaperstalls
4. Motels / Hotels / Roadside restaurants

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SALES / DISTRIBUTION - RUNNER :
==============================

Objectives.

A. Sales volume : - To increase our volume to 350 mio cigarettes.
(vs L.E. 265 mio cigarettes in 1981, index 32%)

B. Distribution : - Tobacconists:
To maintain our present distribution of ± 95% for the Runner brand family.

- Food:
To increase our present distribution figure of ± 62% up to 80%.

- Border:
To maintain our distribution on ± 100%.
Total volume will be influenced by German price increase.
For more details see page

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SALES / DISTRIBUTION - PHILIP MORRIS SUPER LIGHTS :

Objectives.

A. Sales Volume : - Target 100 mio cigarettes.

B. Distribution : - Tobacconists:
100%

- Food:
90%

Launch strategy has been discussed in earlier stage. Timing has been agreed upon beginning of 1982 with one major objective to be ahead of competition and well distributed and presented by p,o,s,m, before health-warning and press activities will be carried out.

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ORGANIZATION :
============

The structure of the organization for the immediate future and for the longer term, whereby the expected growth of the company can effectively be managed, was implemented succesfully during 1981.

- Total Field Management responsibility is delegated to 2 Regional Sales Managers.
  The R.S.M.'s will assume direct responsibility for major accounts, as well as the responsibility to plan, communicate, stimulate, coordinate and control Sales Force activities within the region.

- The groups to be supervised consist of 3 District Manager and 1 Project Manager and 1 coodinator.
  Depending on the location and size of the District, the District Manager will supervise 4 merchandisers, (1 Special Account Border) and 1 Junior. (Group specification according to organigram).

- Field Management is responsible to put plan into action thru effective personnel Management.

- The Project Manager, assisted by Coordinator, will control Tobacco Chain and Vending activities, as well as promotional projects assigned by the R.S.M.
  A certain number of Regional Accounts will also be allocated to him.

TRAINER :

The emphasis on all training activities will be to continuously support management in training their own staf.

Objectives.

- to upgrade the quality of management, ensuring optimal realization of the 1982 sales targets.
- to improve the quality of the Sales Force in general, in particular the quality of the sales talk, presentation in the shop, use of marketing tools and direct consumer contact in sampling/switch & sell procedures.
- to offer certain in-house training programs to wholesalers assisting field management in their efforts to maintain effective relationships and at the same time to make an effort to upgrade the qualities of wholesale representatives.

ACTION PLAN :

- Workshops

  The management workshops on the day of the District Managers meetings, will continue throughout 1982.
- District Meetings

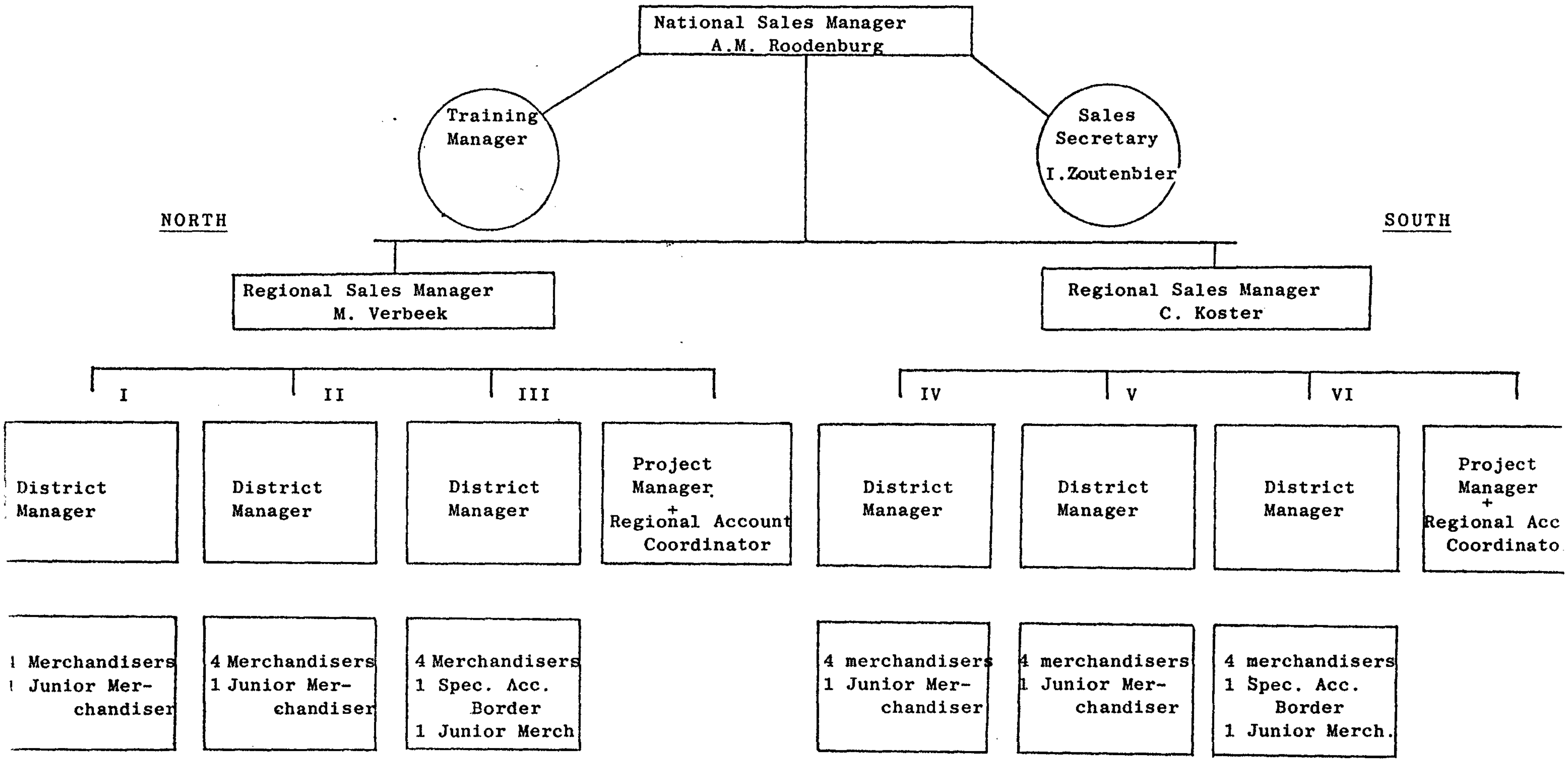
  An observation- and feedback program will be carried out in a manner whereby District Managers are directed towards improving their presentation- and training skills.
- Seminars

  National (Regional) Seminars will be organized during the year.
- Wholesale

  Training classes will be organized for various interested wholesalers during the year.
- On the job training

  Depending on the individual training needs, on the Job Training Programs will be designed and carried out accordingly.

SALES FORCE 1982



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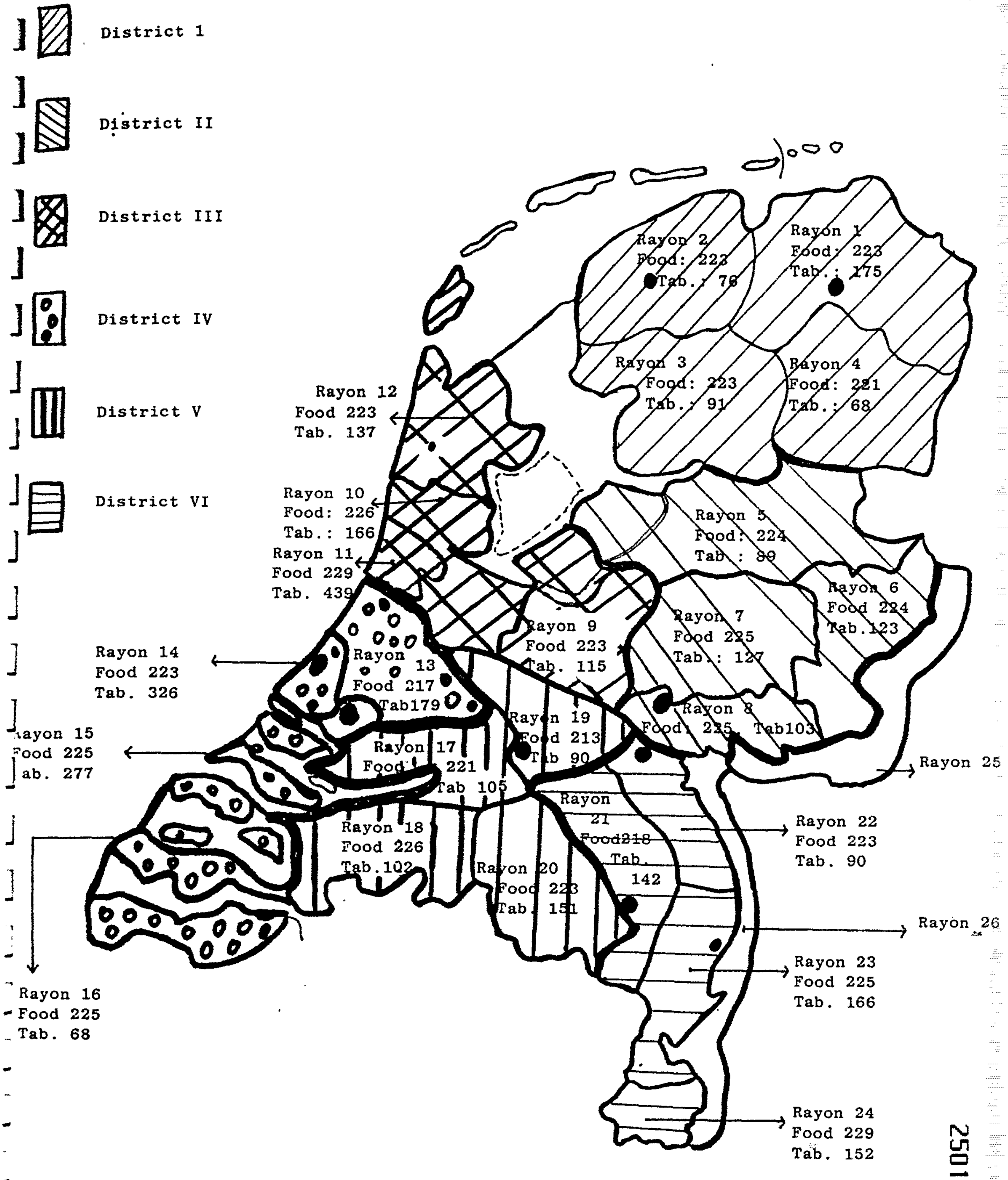
District 1
District II
District III
District IV
District V
District VI
Rayon 1 Food: 223 Tab.: 175
Rayon 2 Food: 223 Tab.: 76
Rayon 3 Food: 223 Tab.: 91
Rayon 4 Food: 221 Tab.: 68
Rayon 5 Food: 224 Tab.: 89
Rayon 6 Food 224 Tab.123
Rayon 7 Food 225 Tab.: 127
Rayon 8 Food: 225 Tab103
Rayon 9 Food 223 Tab. 115
Rayon 10 Food: 226 Tab.: 166
Rayon 11 Food 229 Tab. 439
Rayon 12 Food 223 Tab. 137
Rayon 13 Food 217 Tab179
Rayon 14 Food 223 Tab. 326
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ood 225
ab. 277
Rayon 16 Food 225 Tab. 68
Rayon 17 Food 221 Tab 105
Rayon 18 Food 226 Tab.102
Rayon 19 Food 213 Tab 90
Rayon 20 Food 223 Tab. 151
Rayon 21 Food218 Tab. 142
Rayon 22 Food 223 Tab. 90
Rayon 23 Food 225 Tab. 166
Rayon 24 Food 229 Tab. 152
Rayon 25
Rayon 26

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TOBACCO WHOLESALE DEALS :

Maas	Dfl.	50.000
His Wilms	"	35.000
Spiegelenberg	"	25.000
TTN (individual deals with members)	"	50.000
EGV	"	15.000
	Dfl.	175.000

The turnover of the above wholesale organizations represents 65 - 70% of the National Tobacco Turnover and therefore can be considered as the most prospective target group in terms of wholesale.

Even though the generally passive attitude amongst wholesalers towards active participation in our programs persists, an investment in maintaining and improving the otherwise excellent relationships can be justified. To insure economic use of funds, payments will be made when the increase of sales of our brands within an organization exceeds the national average.

We will continue to explore the following possibilities:

- brandname listings on ordersets (high caps / colour)
- rackspace allocation planning per area (food)
- participation in execution of activities within tobacconists organizations and within wholesale organizations for food and beverage outlets
- invitations to promotional events (Grand Prix)
- U.S.A. orientation trip
- exchange of sales training methods or where desired, implement and execute training programs for their sales force.

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T.T.N. : (32 members representing 45% of the National share)

Within the present callcycle-plan some time has been reserved during the vacation period, to conduct counter display activities in cooperation with the above mentioned organization.
Execution, of the action program, as well as a weekly control, will be handled by wholesale representatives.

Participants will mostly be :

- Tobacconists
- Grey Market
- Seasonal oulets

The wholesalers fee depends on the number of participants, and will be paid afterwards.
Finally the listed participants will be given to PM for registration purposes.

Estimated costs	Dfl. 100.000.--

A national meeting of all wholesale resp. will be part of the deal. An excellent opportunity for the "mobilisation" of an additional P.M.S.L. or Merit army.

TOBACCONIST OUTLETS :

It is expected that in 1982, there will be a further reduction in the number of outlets from ± 4.250 to 4.000.
Ther is an increasing tendency under the tobacconists to expand their product range to support cigarette and tobacco sales by adding items such as cosmetics, toys, magazines, pet food and accessories.

Approx. 15% of all tobacconists are members of tobacco chain organizations (650). It is expected that this number will slightly increase during 1982 (± 750).

The territories have been altered to coïncide with the food territories, enabling to better delegate responsibility for a specific geographical area. (see territory chart, page)
As tobacconists within a territory reduce in total number, the number of outlets to be called upon can be increased with an equal number of sundry outlets

Sales efforts in 1982 will concentrate on the introduction of P.M.S.L., to support the growth of MLF, and the Marlboro line extensions, and increase Merit distribution and increase or maintain RUNNER's distribution.

According to the callcycle-plan 1982, tocacconists will be called upon 6 times during the year by 24 merchandisers assisted by 6 Junior Merchandisers.

Tobacconist chain activities will run parallel to the national callcycle-plan, controlled by the Project Manager plus coodinator.

TOBACCO CHAIN ACTIVITIES :

Parallel to our tobacco callcycle-plan, counter display activities per brand are scheduled within tobacconists clubs and organizations; the periods of these activities vary from 2 to 3 weeks.

Schedule of timing preference :

1) January (PMSL)
2) April (PMSL)
3) May (Merit)
4) August (MLF)
5) November/December (MLF giftpack promotion)
   (optional September)

Criteria :

- dominant counter display
- " supporting p.o.s.m.
- " window presentation
- " illuminated signs

Objectives :

- multiple use of display materials and p.o.s.m.
- to delegate execution of display activities to the wholesale trade whenever possible.
- to organize local meetings with the club members based on the Italian approach.
- to create more understanding for our objectives in their and our interest.
- improve their "specialized" image on consumers level.

BUDGET BREAKDOWN :
================

Van Lookeren	(±	7	members	x 5	deals	30)	=	Dfl.	9.000.-
S.H.S.	(±	100	"	x 5	"	500)	=	"	75.000.-
His Wilms	(±	150	"	x 5	"	750)	=	"	112.000.-
v.d. Laan	(±	120	"	x 5	"	600)	=	"	60.000.-
B.T.G.	(±	40	"	x 4	"	160)	=	"	16.000.-
Van Rossum	(±	37	"	x 5	"	185)	=	"	18.500.-
T.E. Beek	(±	36	"	x 5	"	180)	=	"	18.000.-
W.B.T.	(±	28	"	x 5	"	140)	=	"	14.000.-
T.S V.R.	(±	40	"	x 5	"	200)	=	"	20.000.-
U.S.V.R.	(±	35	"	x 5	"	175)	=	"	17.500.-
Pijnenburg	(±	20	"	x 5	"	100)	=	"	10.000.-
Boenk	(±	20	"	x 5	"	100)	=	"	10.000.-
Keurkorps	(±	20	"	x 5	"	100)	=	"	10.000.-
Verdouw	(±	6	"	x 5	"	30)	=	"	2.000.-
Van Loo	(±	4	"	x 5	"	20)	=	"	2.000.-
Peterse Tiel	(±	35	"	x 5	"	175)	=	"	17.500.-
Gulden Zes	(±	6	"	x 5	"	30)	=	"	3.000.-
Local meetings Clubs								"	25.000.-
Misc.	(±								24.000.-
								Dfl.	465.000.-

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FOOD OUTLETS :
============

The steady increase in market-share of the foodoutlets, particularly the larger chain organizations and franchises, indicates the growing importance of this distribution channel.

The responsibility to manage major Regional Accounts, will be assigned to the Regional Sales Managers.
The remaining National Accounts, will be attended to by the Sales Manager Domestic (see page).
Major multiple accounts will be invited to participate in a planned U.S.A. orientation trip, in order to expose individual buyers to newly developed systems and cigaret presentation methods in the U.S.A.

Based on present Nielsen statements and our PM registration, the o.o.s. situation in the SAF segment seemed to be reduced to a minimum.

Due to the influence of central buying offices on this segment, the number of outlets to call upon reduced dramaticly over the past months.

Financial consequences, big territories and the decreasing number of outlets and the upgraded quality of our sales force did decide us to intergrate the S.A.F.

In 1982 the food outlets will be called upon be 24 Merchandisers and 6 Junior Merchandisers during 10 planned callcycles.

Regional accounts such as Cash & Carry wholesalers and Central Buying offices will be managed by 2 Regional Account Coodinators.

FOOD CHAIN OPERATIONS :
===================

The urgency to maximize distribution within these chains comes more and more to the foreground.
Marketshare losses in other segments claerly result into market share gains in these prime food stores.

Their formula of Cigarette Sales Management can be captured as follows:

- Limited assortment of cigarettes and tobacco (Top 20 brands).
- Uniform presentation methods.
- Stock control to avoid o.o.s.

Buying additional facings in these outlets is of vital importance to our success.
The nature and standing of the chain, it's market position and local market developments together, determine our commercial negociations.

Tailermade promotional campaigns for these chains, including "special" consumer offers, will increase trialpurchase opportunities.

These kind of activities create additional outstanding display possibilities (floordisplays).

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PRESENT SITUATION AND PROPOSED EXPANSION 1982 :

	1981	1982
Ahold 500 outlets	4 facings MLF Nielsen I	5 facings MLF Nielsen I + II
	3 facings MLF Nielsen II	4 facings Nielsen III, IV and V
	2 facings MLF Nielsen III, IV, V	1 facing MLF 100's/MLF Menthol
	1 facing Merit	1 facing Merit Nat.
	1 facing Runner Nat.	1 facing RUF Nat.
		1 facing PMSL
Total costscalculation:	MLF 100's/Menthol	Dfl. 25.000.-
	Merit purchases	" 25.000.-
	PMSL	" 50.000.-
		Dfl. 100.000.-
	Bonus 30 p 0/00	" 50.000.-
	Display activities (3x)	" 75.000.-
		Dfl. 225.000.-

	1981	1982
V & D / Edah 350 outlets	3 facings MLF I en II	4 facings MLF I en II
	2 facings MLF III, IV, V	3 facings MLF III, IV, V
	1 facing Merit	1 facing MLF 100's/MLF Menthol
	1 facing RUF	1 facing Merit Nat.
		1 facing RUF Nat.
		1 facing PMSL
		RUP facultative
Total costscalculation:	MLF 100's / Menthol	Dfl. 50.000.-
	Merit purchases	" 30.000.-
	PMSL	
		Dfl. 80.000.-
	Display activities	" 20.000.-
		Dfl. 100.000.-

CHAIN OPERATIONS WITH CENTRAL BUYING OFFICE :

These outlets are not normally called upon by the Sales Force.
Our objectives are :

- to purchase a 4th facing MLF regular in Nielsen I + II
- to purchase a 3rd facing MLF regular in Nielsen II, III , IV
- to purchase a 1st facing MLF 100's or Menthol
- to purchase a 1st facing Merit
- to purchase a 1st facing for PMSL
- to purchase a 1st facing RUF (optional)
- foldering where applicable
- to have our brands listed on the orderset
- to carry out display acitivities if and when possible.

Korti	± 60	outlets	Dfl.	15.000.-
De Vor	± 15	"	"	5.000.-
Coop	± 100	"	"	10.000.-
Albrecht	± 70	"	"	25.000.-
Gruma	± 30	"	"	25.000.-
Centra	± 100	"	"	20.000.-
Verduyn	± 25	"	"	12.500.-
Jamin	± 100	"	"	10.000.-
Hermans	± 25	"	"	20.000.-
De Boer	± 20	"	"	15.000.-
Groenwoudt	± 50	"	"	20.000.-
v.d. Werff	± 30	"	"	10.000.-
B. v.d. Heijen	± 20	"	"	7.500.-
Misc.			"	55.000.-
			Dfl.	250.000.-

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VFB - CHAIN STORE OPERATIONS WITH INDEPENDENT MEMBERSHIP :

A & O
Enkabe
IFA
Kroon
Ster
Spar
SRV
Tip
Végé
Vivo
Centra

Typical for these chains are the continuous movements; new mergers and variation in membership counts.

1982 objectives are to place our brands on their ordersets, to maximize distribution and to prevent o.o.s through loading and display activities. In addition to foldering and planned sales drives, promotional activities will be scheduled at prime locations.

Estimated costs	Dfl. 25.000

CASH AND CARRY - DISCOUNT (to the retail trade)

Makro	(6 establishments)	x 5 =	Dfl.	60.000.-
Brugcentrale (via Maas)	(25 ")	x 5 =	"	30.000.-
H.G.C. + Hovegro	(35 ")	x 5 =	"	30.000.-
Sligro	(15 ")	x 5 =	"	20.000.-
G.I.B.	(20 ")	x 5 =	"	20.000.-
VEN	(6 ")	x 5 =	"	12.500.-
Independents			"	20.000.-
			Dfl.	192.500.-

To reach a category of clients, whom are not visited by our merchandisers, agreements are made with the above organizations to promote our brands 6 times, during 2 to 3 weekly periods.
(Twice for Marlboro, twice for PMSL and one for Merit)

These clients are:
- Small food outlets (c)
- Sundry outlets - such as; snackbars, café's, canteens etc.

Supported by direct mailing shots to their clients, we will, during action periods aim to promote Marlboro/Merit within these establishments by placing dominant displays and p.o.s.m. as well as illuminated signs on a permanent basis where possible.
Thru these special offer mailings, large volumes of cigarettes are being sold.
In 1981 we will further look into permanent advertising opportunities within this group of outlets.

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SUNDRY OUTLETS - DOMESTIC :

In the 1982 organization set-up, a national coverage of major sundry outlets will be carried out by the 24 merchandisers during tobacconist call-cycles, covering approx. 1.000 selected outlets per cycle.
The sundry outlets coverage per territory depends on the current number of tobacco outlets, but will increase as the number of tobacconists decrease.
The strategy of selecting only those outlets with considerable cigarette sales has been proven to be advantageous.

Three weeks in total have been reserved within our year's callcycle-plan to cover the majority of outlets in this segment to complete our iventory.

A continuation of sales activities similar to 1981 is planned. The large number of sundry outlets limits the call frequency.
Subsequently, each call needs to be exploited to the utmost.
Gradually, client information will be entered in the computer administration in order to eventually facilitate determining a certain call frequency.

Sales drives within each district, carried out by the junior merchandisers, will give further depth in our sales program.
On average each drive will last one week, will coicide with our callcycle-plan and will be in support of the continuing objectives for this category.

The main categories are :
- gas-stations
- train-stations
- roadside restaurants and motels
- hotels
- in-house shops / giftshops in hospitals and hotels
- bookshops
- café-restaurants, bars

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Sales objectives :

1. Distribution Marlboro - Merit - PMSL
2. Volume sales
3. Dominant placement of p.o.s.m.

Within most of these outlets, cigarettes are considered a service article to their customers and not as a main source of income. The assortment carried is often limited to 10 or 15 brands and shopkeepers are in a position to sell almost anything they buy.

With the right incentive, trial purchase can enormously be stimulated. The allowance in items per 0/00 cigarettes to support volume sales and merchandising is Dfl. 1.-. Estimated turn over ± 100 mio - (Dfl. 100.000.-) - of which 50 - 60% can be considered additional sales.

Classified adresses will gradually be included in the computerized customer administration.

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BORDER OUTLETS :

Objectives and strategy for these outlets, have been pointed out before.

Key targets during weekly calls.

A) Dominant presentation of our brands (floor of counter display etc.)
B) Volume loading
C) In- and outdoor p.o.s.m. (distribution and replacement).

The allowance per 0/00 cigarettes is Dfl. 1.-, in order to realize these targets.

Estimated turnover : 100 mio Dfl. 100.000.-

20-30% of turnover can be considered as additional sales. The total costs are, however acceptable in view of the importance of Runner and our share of this market, as PM Germany has heavily supported Marlboro sales in Nielsen I + II, it has also effected Marlboro border sales.

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VENDING MACHINES DEALS :

To extend present deals with 60 operators and retain distribution for Marlboro in approx. 11.500 vending machines, which are not normally included in our present callcycle-plan, such as: café's, snackbars, canteens etc.

A compensation per vending machine, will be paid of approx. Dfl. 25.- to Dfl. 40.- depending on area market shares. This will be supported where possible, by functional p.o.p. material.

A check on the execution of the deals will be organized. To avoid overlapping visits of sales resps., each operator has to supply a list of his addresses.

VENDING MACHINES :
================

	T.T.N.	2.200	vending machines	Dfl.	132.000.-
Area 1	Arza	900	" "	"	40.000.-
	v. Vuuren	750	" "	"	35.000.-
	De Jong	300	" "	"	13.500.-
	Sundry	550	" "	"	22.000.-
Area 2	Van Duffelen	100	" "	"	3.500.-
	Donkersteeg	100	" "	"	3.500.-
	v. Rossum	250	" "	"	11.500.-
	Sundry	350	" "	"	14.000.-
	Planned extension	600	" "	"	21.000.-
Area 3	Groningen	150	" "	"	5.000.-
	Planned extension	400	" "	"	14.000.-
Area 4	Gelderland	200	" "	"	7.000.-
	Planned extension	400	" "	"	14.000.-
Area 5	Maas	2.500	" "	"	160.000.-
	Heynen	200	" "	"	7.500.-
	Spronken	200	" "	"	7.500.-
	Schmitz	100	" "	"	3.500.-
	Kemna	150	" "	"	6.000.-
	Sundry	900	" "	"	31.500.-
	Planned extension	200	" "	"	7.500.-
				Dfl.	559.500.-

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SEASONAL OUTLETS :

The timing of planned activities, will naturally depend on weather conditions. However, the same criteria for establishing priorities are followed, as for the grey market.

Based on the Italian approach, we planned a first volume loading before whit sunday and will be followed up with a second and third drive to keep to the agreement we made in the first drive.

The estimated turnover is approx. 40 mio. cigarettes with an allowance of Dfl. 1,50 per 0/00 in items, such as :

lighters
carrier bags
cigarettes
etc.

Dfl. 60.000.-

(75% of the estimated turnover can be considered as additional).

LOCAL PROMOTIONS :

Apart from national promotional events, we will participate in local promotions such as fairs, openings, shows and various other local events as and when in our interest.

Our participation may vary from assistance in organizing the event, to financial support and to support in activities such as sampling, selling unit, stage coach promotion or Fomula I race car promotion. Especially the latter two have proven to contribute to brand awareness and often secure free name advertising in local door-to-door newspapers.

Estimated costs per district	Dfl. 10.000.-	Dfl. 60.000.-
per R.S.M.	" 20.000.-	" 40.000.-
	TOTAL COSTS	Dfl. 100.000.-

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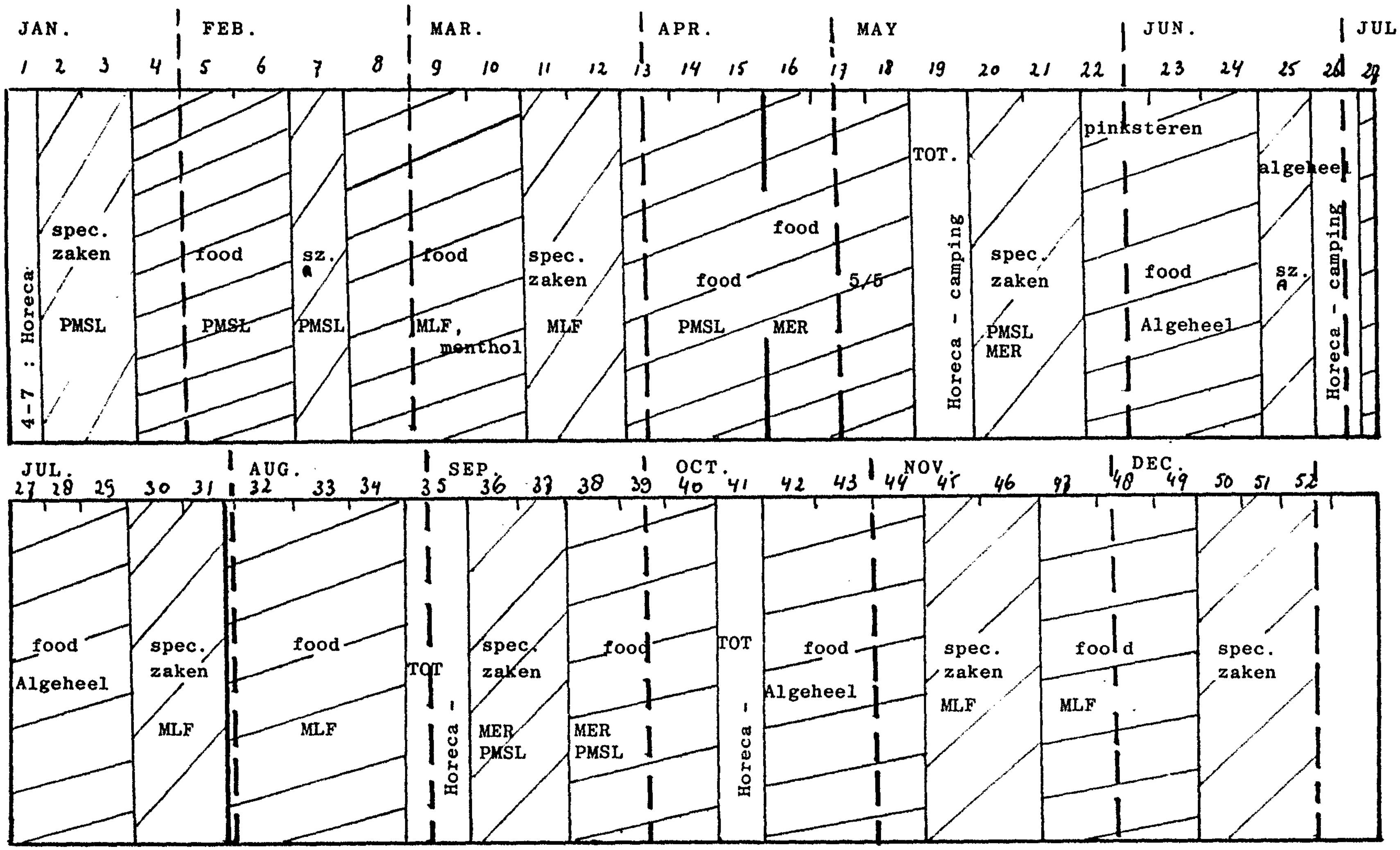
CALL-CYCLE PLANNING 1982



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I BRAND HISTORY

	1978	1979	1980	LE 1981	Org. 1982
Marlboro Rs/Box	320	290	223	175	288
Marlboro Soft pack	-	-	7.8	7.1	5.7
Marlboro 100's	11.8	11.2	14.9	20	20
Marlboro Lights Box	-	2.4	3.3	4	5
Marlboro Menthol	-	0.4	0.7	1	1
Philip Morris Multifilt.	1	1.1	1.3	0.5	1
Philip Morris RS/KS	2.5	2.4	2.0	1.5	1
Muratti Ambassador Box	1.2	1.2	1.6	1.0	1.3
Parliament	0.5	0.2	0.3	-	-
Philip Morris Int.	1.1	1.3	1.9	2.0	2.5
Philip Morris 100's	1.5	0.1	-	-	-
Merit Box	1.5	2.0	2.4	5.0	7.0
Saratoga	0.3	0.2	0.3	0.4	0.5
Chesterfield RS/KS/RSF/Box	3.5	6.4	7.9	5.3	8.1
L&M Box/ SKS	2.0	2.8	2.4	1.5	3.2
Lark Box/SKS	0.7	0.6	1.9	0.7	1.7
Eve	0.7	-	0.3	-	-
Total	348	322	272	225	346

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II VOLUME / SHARE REVIEW

Year	Actual	Budget	Total Market	PM Marketshare %
1978	348	400	1742 *1	20
1979	322	367	1536	21
1980	280	374	1408	19.9
OB 1981		353	1267 *2	26.4
RB 1981		334		25
LE 1981	225		1235	18.2
OB 1982		346	1355	25.5

*1) Including approx. 160 mio re-export ± 125 mio U.K./Netherlands
35 mio U.S.A.
40 mio parallel mainly U.S.A. origin

*2) Negative effected by approx 90 mio parallel U.S.A. origin

III COMPANY SHARES

Companies	1978 vol.	1978 share %	1979 vol.	1979 share %	1980 vol.	1980 share %	LE 1981 vol.	LE 1981 share %
Gallaher	-	-	-	-	11	0.8	10	0.8
B.A.T. Germany	30	1.7	31	2	30	2.1	27	2.1
B.A.T. U.S.A.	33	1.9	39	2.5	39	2.8	35	2.8
B.A.T. Neth.	60	3.4	79	5.1	77	5.5	70	5.6
B.A.T. U.K.	279	16	217	14.1	151	10.7	141	11.2
Brinkman	40	2.3	38	2.5	35	2.5	30	2.4
Tob. Exp. Int.	122	7	121	7.9	118	8.4	108	9.6
Int. Sales	259	14.9	154	10	145	10.3	133	10.6
Laurens	206	11.8	205	13.3	190	13.5	170	13.5
Brown & Fd. incl. Lorillard	35	2	32	2.1	40	2.8	37	2.9
Niemeyer	54	3.1	50	3.3	36	2.6	30	2.4
Philip Morris	348	20	322	21	280	19.9	225	18.2
Reemtsma	30	1.7	30	2	31	2.2	28	2.2
Reynolds	185	10.6	186	12.1	185	13.1	155	12.3
v.d. Elst	)		10	0.7	10	0.7	9	0.7
Gosset	) 61	3.5	6	0.4	6	0.4	5	0.4
Grand T.E.	)		16	1	14	1	13	1
Others	-	-	-	-	10	0.7	9	0.7
Total	1.742	100.0	1.536	100.0	1.408	100.0	1.235	100.0

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IV COUNTRY OF ORIGIN

	1978		1979		1980		LE 1981	
	vol	%	vol	%	vol	%	vol	%
Netherlands	579	33.2	488	31.8	448	31.8	402	31.9
U.K.	401	23	338	22	280	19.9	259	20.6
U.S.A.	601	34.5	579	37.7	544	38.6	452	36.6
Germany	100	5.7	99	6.4	96	6.8	85	6.7
Belgium	-	-	6	0.3	10	0.7	9	0.7
France	61	3.5	10	0.7	6	0.4	5	0.4
Scandinavia	-	-	16	1	14	0.9	13	1
Others	-	-	-	-	10	0.8	9	0.7
Total	1742	100	1536	100	1408	100	1235	100

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V MARKET - BREAKDOWN x mio

	1980			LE 1981			1982		
	tot.	PM		tot.	PM		tot.	PM	
	vol	vol	%	vol	vol	%	vol	vol	%
Ferries	208.1	18.0	8.6	210.0	23.2	11.0	236.0	30.4	13.0
Militairy	162.5	16.1	10.0	160.5	20.5	12.8	161.0	24.4	15.2
Airport Tax Free	400.6	51.8	12.9	373.4	54.1	14.5	378.6	58.2	15.4
Inflights	128.3	18.1	14.1	120.0	23.7	19.8	124.5	27.4	22.0
Diplomatics	30.0	6.0	20.0	30.0	3.5	11.7	15.0	4.5	30.0
Sub-total	929.5	110.0	11.8	893.9	125.0	14.0	915.1	144.9	15.8
Cargo	478.6	170.0	35.5	341.1	100.0	29.3	440.0	201.0	45.7
Grand Total	1408.1	280.0	19.9	1235.0	225.0	18.2	1355.1	346.0	25.5

Cargoes 1981 are excluding parallel imports (± 90 mio).

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MARKET-BREAKDOWN x mio	1980			1981			1982		
	Total	PM		Total	PM		Total	PM	
	vol	vol	%	vol	vol	%	vol	vol	%
Ferries:									
Olau	28.0	2.8	10.0	40.0	6.0	15.0	50.0	8.5	17.0
S.M.Z.	33.1	3.9	11.8	30.0	4.2	14.0	31.0	5.5	17.7
North Sea	27.0	1.8	6.7	25.0	2.5	10.0	35.0	3.2	9.1
Butterfahrten	70.0	4.0	5.7	70.0	4.5	6.4	70.0	6.0	8.6
Rhine Cruise/Freight	50.0	5.5	11.0	45.0	6.0	13.3	50.0	7.2	14.4
Total	208.1	18.0	8.6	210.0	23.2	11.0	236.0	30.4	13.0
Militairy:									
Dutch-Army Airforces	115.0	11.0	9.6	114.0	13.0	11.4	114.0	15.0	13.2
Dutch-Navy	13.0	2.1	16.2	12.0	2.8	23.3	12.0	3.8	31.7
Dutch-Mil. Houses	11.5	1.0	8.7	11.5	1.2	10.4	12.0	1.5	12.5
Nato-H.Q.	23.0	3.0	13.0	23.0	3.5	15.2	23.0	4.1	17.8
Total	162.5	16.1	10.0	160.5	20.5	12.8	161.0	24.4	15.2

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MARKET-BREAKDOWN x mio	1980			1981			1982		
	Total	PM		Total	PM		Total	PM	
	vol	vol	%	vol	vol	%	vol	vol	%
Airport Tax Free									
K.L.M./Schiphol	378	48.3	12.8	350	50.0	14.3	350	53.0	15.1
K.L.M./Eindhoven	1.0	0.2	20.0	1.2	0.3	25.0	1.2	0.4	33.3
Rotterdam	10.8	1.1	10.2	10.0	1.2	12.0	15.0	2.0	13.3
Maastricht	1.2	0.2	16.7	1.2	0.2	16.7	1.4	0.3	21.4
Aero-Ground	9.6	2.0	20.8	11.0	2.4	22.2	11.0	2.5	22.7
Total	400.6	51.8	12.9	373.4	54.1	14.5	378.6	58.2	15.4
Inflights									
K.L.M.	57.0	12.0	21.1	55.0	15.0	27.0	58.0	17.0	30.0
N.L.M.	3.7	0.6	16.2	4.0	0.9	22.5	5.5	1.5	27.3
Martinair	18.9	1.1	5.8	21.0	3.0	14.3	21.0	3.6	17.1
Transavia	48.7	4.4	9.0	40.0	4.8	12.0	40.0	5.3	13.3
Total	128.3	18.1	14.1	120.0	23.7	19.8	124.5	27.4	22.0

VI GENERAL STRATEGY

a) Problems

The total marketshare of PM dropped by continuing flows of parallel Marlboro.

Additionally, influenced by the economical decline.

Reasons why

1) Drop of incoming cargo vessels which will end by approx. 10%. In addition decline of scheduled passengers flow by 1%, while the charter and ferry passengersflow dropped by 6%.

2) Dissatisfaction by our masterjobbers and customers due to parallelimports, which caused lower sales to shipchandlers respectively to vessels.

3) Discontinued cooperation with Pronk and Paul/Oranjeboom followed by two new appointed direct accounts in order to create more competition and distribution to all segments of the market.

Meanwhile, by exeption of seastores, we succeeded to improve our marketshare in all segments of the market succesfully.

b) Market expectations

We foresee a static market in the coming year and forthgoing growth of our main brands.

c) Proposals

Internal measures have to be taken to stop the parallel flow of merchandise in order to manage the market in accordance with the objectives.

At present competition and distribution created favourable results, however, we still aiming an enlarging number of direct accounts by appointing main shipchandlers in the near future.

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VII MARKET CONDITIONS

a) Ferries

* We strenghtened our relationship with the main ferry companies which resluted in continuing growth of our marketshare.

  This approach will be continued by:

  - training salespersonnel with PMI Duty Free marketing programs
  - enlarging shelves displays of Marlboro and Merit
  - advertising v/s instore promotions by adding free items on Marlboro and Merit cartons during June/July and August.
  - showboxes in main locations on board.
  - distribution of Merit and Marlboro bags during high summer season
  - introduction of feature film video cassettes together with PM promotion films added on entertainment programs to passengers.

* Butterfahrten

  This segment is still under pressure by taken E.E.G. regulations which effects in declining tax free sales.

  However, we will continue our promo activities by:

  - distribution of Marlboro bags in July/August and September
  - free items added on cartons of Marlboro during the same months.

Budget

Consumer		
Video feature promotion films	ƒ 10.000,--	
Marlboro bags	ƒ 6.000,--	
Pricelists	ƒ 18.000,--	
Showboxes	ƒ 12.000,--	
Give aways v/s sales	ƒ 6.000,--	
		ƒ 52.000,--
Sales personnel		
Incentives	ƒ 3.000,--	
Trainingsprocedures	ƒ 1.000,--	
		ƒ 4.000,--
Main buyers		
Grand Prix		ƒ 2.000,--
Grand Total		ƒ 58.000,--

b) Militairy

* Dutch Army, Airforces and Royal Navy

We succeeded in obtaining permission to distribute video PM promotionfilms into main camp locations in Germany and warships in order to please not only militairy consumers, but in addition to make soft kind of advertising.

We also have been allowed to visit regularly all militairy duty free locations abroad, a regular call pattern will be started accordingly.

In cooperation with the responsible commander of the Dutch Militairy Canteenservice we started to be involved in renovating programs of Duty Free shops located in Germany and based on the PMI shopdesign program.

We scheduled the following additional promo activities:

- Marlboro disco show performance in the main camps during special events.
- to enlarge the number of video cassettes into camps and warships.
- extension of shelvespace Marlboro and Marlboro 100's.
- instore promotions with free items added on cartons Marlboro and Marlboro 100's.
- placing p.o.s.m.
- to distribute promotional items during field exercizes.

* NATO Headquarters

The continuing good cooperation with the management of canteen-service and the "Board of Governors" has been a help to the growth of our marketshare.

We specify our activities as follows:

- four season instore promotions by give aways added on cartons of Marlboro, Marlboro 100's, Marlboro lights, Merit and Eve.
- idem price offs for our main brands and paid by A.C.S.
- distribution of Marlboro and Merit bags during the four season promotion periods.
- Marlboro discoshow performance to underofficers and soldiers in December.
- Visit to our factory in Bergen op Zoom for a group belonging to Afcent H.Q.

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Budget

Consumer		
Instore promotion	ƒ 10.000,--	
Disco shows	ƒ 15.000,--	
Marlboro and Merit bags	ƒ 18.000,--	
Advertisements	ƒ 5.000,--	
Give aways	ƒ 10.000,--	
Video cassettes	ƒ 2.000,--	
Illuminated signs Marlboro	ƒ 10.000,--	
		ƒ 62.000,--
Sales Personnel		
Give aways		ƒ 1.500,--
Main buyers		
Visit factory	ƒ 3.000,--	
Grand Prix	ƒ 2.000,--	
		ƒ 5.000,--
Grand Total		ƒ 68.500,--

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c) Airports (Schiphol-Zestienhoven-Eindhoven-Maastricht)

* We will achieve our objectives which will effect by an increase of our marketshare from 12.9% to 14.9%.
The passengers purchases at Schiphol Airport declined by 8%. On the contrary PM has been the only company who improved marketshare.
In terms of advertising, we achieved the maximum of possibilities, however, we will maintain our position. Recently, studies have been started in order to stop the decline of passengers purchasings to introduce displays in the shops with special offers.
Our position will be maintained in terms of advertising and distribution of Marlboro paperbags in the K.L.M. tax free shops. Additionally Merit paperbags through all Duty Free outlets within the tax free area at Schiphol Airport to the total of almost 1,8 mio bags.
Regarding the existing PMI shop design concept, we still aim to succeed fully in the future.

* Inflight Sales
Scheduled airlines, charters and crewservices
K.L.M. scheduled flights increased by 1% while charter airlines dropped by 5%.
PM improved marketshare from 18.1% to 23.7%. This positive result has also been influenced by the introduction of Merit and additionally inflight sales promotions.

We scheduled to continue our current approach by:
-"cooperation contract" cq. advertising v/s inflight promotions during the top season, by adding free give aways on Marlboro and Merit cartons announced by p.a. and trolleys.

We aim to introduce similar promotions into scheduled airlines.

Budget

Consumer

K.L.M. bags Marlboro	ƒ 75.000,--	
K.L.M. bags Merit	ƒ 8.000,--	
Marlboro plastic bags (inflight)	ƒ 25.000,--	
Vitrines	ƒ 8.000,--	
Price-list and magazines	ƒ 70.000,--	
Prod. costs	ƒ 5.000,--	
Give aways: crews	ƒ 1.000,--	
shops	ƒ 15.000,--	
charter airlines	ƒ 15.000,--	
scheduled airlines	ƒ 15.000,--	
Video developments airports	ƒ 2.000,--	
		ƒ 261.000,--

Main buyers

Visit PMI USA	ƒ 10.000,--
Grand Prix	ƒ 4.000,--
Grand Total	ƒ 325.000,--

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d) Diplomatics

Due to the take over of Paul Diplomatic Sales by Chacalli den Dekker in Belgium, our actual marketshare dropped from 20% to 11.7%, however, our main supplier increased his sales by almost 48%.

* Scheduled promotional activities

- to take part in mailing specials to embassies and consulates with Marlboro, Merit, Marlboro lights, Chesterfield and L&M during the months of March/April/June/July/November and December.
- to place one advertisement Marlboro/Merit in the yearly pricelist.
- tour factory with diplomatic personnel.
- to join the main diplomatic event with the Marlboro disco show.
- to distribute Marlboro plastic bags to the total of 10.000.

Budget

Consumer

Mailing specials	ƒ 6.000,--	
Advertisements	ƒ 2.000,--	
Visit factory	ƒ 5.000,--	
Soccer adn backgammon games	ƒ 5.000,--	
Diplomatic night	ƒ 3.000,--	
Plastic bags Marlboro	ƒ 1.000,--	
Grand Total		ƒ 22.000,--

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e) Cargo

* Seastores

The total drop of incoming vessels will approx. end by 10%. The continuing shipmodernizations, effected in decline of crewmembers. Further creditsquezes, stronger control by shipping companies and forthgoing decline of patty purchases by crewmember, effected negative the total potential.
Although the actual salesfigures doesn't show any progress (only caused by parallel flow of Marlboro). We noticed that the sales of our main brands are rapidly growing.

The time has come to change our sea-store promotional activities in order to accelerate the progress and to counter heavy competitors activities.
Therefore we strongly recommend to introduce a common sea-store promotional activity plan to strenghten our position to shipping-companies, shipchandlers, representatives and consumers. The PM message has to be the same "from port to port". In addition to study the current delivery structure to large shipchandlers v/s masterjobbers.

* Vessels

We will continue our promotional activities to visit the main flags by PM salespromotors by contacting the captain, purser and crewmembers:

- to distribute brand folders
- to place p.o.s.m. into the main locations
- to stamp the existing passports
- to distribute in-expensive give aways in accordance with purchases volumes and devided on fifty-fifty basis to captains, and crewmembers.
- to take part in PMI sea-store promotions to crewmembers in a common Area III approach.

* Shipchandlers/Shipping companies

Efforts will be given to strenghten our relationship with both companies and their representatives by organizing soccer games. In addition to organize a harbor event with the Marlboro Discoshow.
To take part in pricelists and brochures by placing advertisements of Marlboro and Merit. Factory visits with persons involved in sales are scheduled to the total number of 50.

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Budget vessels-shipchandlers

Consumer		
Give aways	ƒ 47.000,--	
Pricelists/salesfolder	ƒ 25.000,--	
Sampling	ƒ 20.000,--	
Calendars	ƒ 6.000,--	
		ƒ 98.000,--
Sales personnel		
Training/contests	ƒ 7.000,--	
Calendars	ƒ 1.500,--	
Sampling	ƒ 3.000,--	
Sporting events	ƒ 5.000,--	
Marlboro Disco Performance	ƒ 8.000,--	
		ƒ 24.500,--
Main buyers		
Grand Prix	ƒ 5.000,--	
Visit PMI USA	ƒ 25.000,--	
		ƒ 30.000,--
Grand Total		ƒ 202.500,--

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VIII. COMMON AREA III PROMTIONAL ACTIVITIES 1982

Proposal

The time has come to introduce a common promo activity plan, in order to counter heavy competitors activities and to accelerate the progress of our main brands.
Therefore, we strongly recommend to make a master plan covering sea-stores and airports activities.

Masterplan

In order to settle the masterplan 1982, we suggest to put a certain budget together for sea-store and airport tax free shops activities in 4 to 8 weeks cycles.

The philosophy behind

In principal, Duty Free Sale turns out into the variety of destinations and nationalities and does not stop amongst the respective borders. Additionally, the international traveller represents the duty free market and ought to be approached by unanimity in terms of strategy in order to strenghten the marketing efforts and to eliminate the expenditures.

IX RECAPITULATION

(Breakdown Segments)			SHARE OF BUDGET	SHARE OF MARKET
Seastores (vessels-shipchandlers)				
Consumer	148.000,--			
Sales Personnel	24.500,--			
Main buyers	30.000,--			
		202.500,--	32.3%	32.1%
Butterfahrten/Rhine Trade/Ferries				
Consumer	52.000,--			
Sales Personnel	4.000,--			
Main buyers	2.000,--			
		58.000,--	9.3%	17.2%
Airports/Inflights/Crewservices				
Consumer	261.000,--			
Sales Personnel	4.000,--			
Main buyers	10.000,--			
		275.000,--	43.9%	36.7%
Dutch Militairy/Nato Headquarters				
Consumer	62.000,--			
Sales Personnel	1.500,--			
Main buyers	5.000,--			
		68.500,--	10.9%	11.8%
Diplomatics				
Consumer	22.000,--			
		22.000,--	3.5%	2.2%
Total		626.000,--	100%	100%

BUDGET

Consumer	545.000,=	87%
Sales Personnel	34.000,=	5,4%
Main Buyers	47.000,=	7,5%
	626.000,=	100%

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